

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐

<b>APPLICATION FOR PERMIT TO DRILL</b>						<b>1. WELL NAME and NUMBER</b> Lisbon 3-43MC				
<b>2. TYPE OF WORK</b> DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						<b>3. FIELD OR WILDCAT</b> LISBON				
<b>4. TYPE OF WELL</b> Oil Well <input type="checkbox"/> Coalbed Methane Well: NO <input type="checkbox"/>						<b>5. UNIT or COMMUNITIZATION AGREEMENT NAME</b> LISBON (MCCRACKEN)				
<b>6. NAME OF OPERATOR</b> PATARA OIL & GAS, LLC						<b>7. OPERATOR PHONE</b> 303 563-5364				
<b>8. ADDRESS OF OPERATOR</b> 600 17th Street Ste 1900S, Denver, CO, 80202						<b>9. OPERATOR E-MAIL</b> eeseeman@pataraog.com				
<b>10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE)</b> UTU015445			<b>11. MINERAL OWNERSHIP</b> FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>			<b>12. SURFACE OWNERSHIP</b> FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>				
<b>13. NAME OF SURFACE OWNER (if box 12 = 'fee')</b>						<b>14. SURFACE OWNER PHONE (if box 12 = 'fee')</b>				
<b>15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')</b>						<b>16. SURFACE OWNER E-MAIL (if box 12 = 'fee')</b>				
<b>17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')</b>			<b>18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS</b> YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>			<b>19. SLANT</b> VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>				
<b>20. LOCATION OF WELL</b>		<b>FOOTAGES</b>		<b>QTR-QTR</b>	<b>SECTION</b>	<b>TOWNSHIP</b>	<b>RANGE</b>	<b>MERIDIAN</b>		
LOCATION AT SURFACE		1020 FSL 1206 FEL		SESE	3	30.0 S	24.0 E	S		
Top of Uppermost Producing Zone		1020 FSL 1206 FEL		SESE	3	30.0 S	24.0 E	S		
At Total Depth		1020 FSL 1206 FEL		SESE	3	30.0 S	24.0 E	S		
<b>21. COUNTY</b> SAN JUAN			<b>22. DISTANCE TO NEAREST LEASE LINE (Feet)</b> 1020			<b>23. NUMBER OF ACRES IN DRILLING UNIT</b> 480				
			<b>25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed)</b> 4483			<b>26. PROPOSED DEPTH</b> MD: 9000 TVD: 9000				
<b>27. ELEVATION - GROUND LEVEL</b> 6911			<b>28. BOND NUMBER</b> UTB000428			<b>29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE</b> COMMERCIAL				
<b>Hole, Casing, and Cement Information</b>										
<b>String</b>	<b>Hole Size</b>	<b>Casing Size</b>	<b>Length</b>	<b>Weight</b>	<b>Grade &amp; Thread</b>	<b>Max Mud Wt.</b>	<b>Cement</b>	<b>Sacks</b>	<b>Yield</b>	<b>Weight</b>
Cond	20	16	0 - 60	94.0	H-40 ST&C	8.5	Light (Hibond)	50	2.16	11.6
Surf	12.25	9.625	0 - 2050	36.0	J-55 ST&C	9.8	35/65 Poz	300	2.81	11.6
							Type III	100	1.47	14.2
Prod	8.75	7	0 - 9000	26.0	HCN-80 LT&C	10.5	35/65 Poz	580	2.16	12.5
<b>ATTACHMENTS</b>										
<b>VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES</b>										
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER					<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN					
<input type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)					<input checked="" type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER					
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)					<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP					
<b>NAME</b> Danielle Gavito			<b>TITLE</b> Regulatory Technician			<b>PHONE</b> 303 563-5378				
<b>SIGNATURE</b>			<b>DATE</b> 12/19/2011			<b>EMAIL</b> dgavito@pataraog.com				
<b>API NUMBER ASSIGNED</b> 43037500180000			<b>APPROVAL</b> <div style="text-align: center;">           Permit Manager       </div>							

Patara Oil & Gas LLC  
**Lisbon 3-43MC**  
 SHL: 1,020' FSL 1,206' FEL  
 SE/4 SE/4 SEC 3 TWN 30S RNG 24E  
 San Juan County, UT  
 Federal Lease #: UTU15445

CONFIDENTIAL

Onshore Oil & Gas Order No. 1 & No. 2  
**Drilling Program**

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of the subcontractors. A copy of these conditions will be furnished with the field representative to ensure compliance.

Company Contact: Mr. Ryan Calhoun, Patara Oil & Gas LLC 303 563-5373.

ESTIMATED FORMATION TOPS

Estimated tops of important geologic markers are as follows:

Formation	Depth (TVD)	Depth (MD)	Subsea	Type
Wingate	Surface	Surface	6,921'	
Chinle	678'	678'	6,243'	Sandstone/Shale
Cutler	1,844'	1,844'	5,077'	Sandstone/Shale
Hermosa	2,717'	2,717'	4,204'	Sandstone/LS
Ismay	4,426'	4,426'	2,495'	LS/Shale/Dol
Paradox Salt	4,753'	4,753'	2,168'	Hal
Pinkerton Trail	7,463'	7,463'	-542'	Dol/SS/Shale
Leadville	7,687'	7,687'	-766'	LS/Dol
Ouray	8,127'	8,127'	-1,206'	LS
McCracken	8,399'	8,399'	-1,478'	SS/Dol/Shale
Lynch	8,469'	8,469'	-2,079'	Dol
<b>TOTAL DEPTH</b>	9,000' TVD	(9,000' MD)		

**ANTICIPATED DEPTH OF WATER, OIL, GAS OR MINERAL BEARING FORMATIONS**

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations as expected to be encountered are as follows:

<b>Formation</b>	<b>Depth (TVD)</b>	<b>Depth (MD)</b>	<b>Oil, Gas, Water</b>
Wingate	Surface	Surface	Possible water bearing
Ismay	4,426'	4,426'	Possible oil bearing
Leadville	7,687'	7,687'	Possible gas bearing
McCracken	8,399'	8,399'	Possible oil bearing
Lynch	8,470'	8,470'	Possible oil bearing

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. All indications of usable water (10,000 ppm or less TDS) shall be reported to the Moab Field Office prior to running the next string of casing or before plugging orders are requested, whichever occurs first. If noticeable water flows are detected, samples will be submitted to the BLM along with any water analyses conducted.

*Note: The operator proposes to protect potable groundwater/aquifers as follows: The Wingate formation will be behind 9-5/8" 36#, J-55, ST&C surface casing set at 2,050' and cemented to surface.*

**CASING PROGRAM**

The proposed casing program is as follows:

<b>Zone Area</b>	<b>Depth (MD)</b>	<b>Hole Size</b>	<b>Outer Diameter</b>	<b>Weight</b>	<b>Grade</b>	<b>Type</b>
Conductor	0' – 60'	20"	16"	94#	H-40	ST&C
Surface	0' – 2,050'	12-1/4"	9-5/8"	36#	J-55	ST&C New
Production	0' – 9,000'	8-3/4"	7"	26#	HCL-80	LTC NEW

- a. The BLM in Moab, Utah shall be notified at least 24 hours prior to the running and cementing of all casing strings, in order to have a BLM representative on location while running and cementing all casing strings.
- b. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all unusable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. The casing setting depth shall be calculated to position the casing seat opposite a competent formation, which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including presence/absence of hydrocarbons, fracture

- gradients, usable water zones, formation pressures, lost circulation zones, other minerals, or other unusual characteristics. All indications of usable water shall be reported.
- c. Casing design shall assume a formation pressure gradient of 0.44 psi per foot.
  - d. Casing design shall assume fracture gradients from 0.85 to 0.90 psi per foot.
  - e. All waiting on cement times shall be adequate to achieve a minimum of 500-psi compressive strength at the casing shoe prior to drilling out.
  - f. All casing except the conductor casing shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.
  - g. The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.
  - h. All indication of usable water shall be reported to the authorized office prior to running the next string of casing or before plugging orders are requested, whichever occurs first.
  - i. Surface casing shall have centralizers on the bottom 3 joints of casing (a minimum of one centralizer per joint starting with the shoe joint).
  - j. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc., shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.
  - k. All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1,500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield. If pressure declines more than 10% in 30 minutes, corrective actions shall be taken.
  - l. On exploratory wells such as this, and on well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth of at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
  - m. The proposed casing integrity design parameters are as follows:

Grade	Weight	Burst (psi)	Burst Safety Factor	Collapse (psi)	Collapse Safety Factor	Body Yield	Joint Strength	Tension Safety Factor
J-55	36#	3,520	1.1	2,020	1.1	564,000	394,000	1.8
HCL-80	26#	7,740	1.1	7,800	1.1	604,000	541,000	1.8

- n. Casing design subject to revision based on geologic conditions encountered.

#### CEMENTING PROGRAM

The cement program will be as follows:

<b>Conductor</b>	<b>Type and Amount</b>
0' – 60' TVD	Redimix to surface, 50 sxs
<b>Surface</b>	<b>Type and Amount*</b>
0' – 2,050' TVD	To surface: Lead $\pm$ 300 sxs Type III, 35:65 Poz; Tail $\pm$ 100 sxs Type III 1% CaCl
<b>Production</b>	<b>Type and Amount***</b>
1,750' - TD	$\pm$ 580 sxs Type III 35:65 Poz

\* Cement volume calculated with 50% excess.

\*\*\* Cement volume calculated with 15% excess.

<b>Yields</b>	Surface:	Lead:	Type III 35:65 Poz	2.81 ft <sup>3</sup> /sx (11.6 ppg)
		Tail:	Type III, 1% CaCl	1.47 ft <sup>3</sup> /sx (14.2 ppg)
	Production:		Type III 35:65 Poz	2.16 ft <sup>3</sup> /sx (12.5 ppg)

**Cement Additives**

	Surface:	Lead:	<b>35:65 Poz Type III</b>	94 lb/sx Cement 0.04 lbs/sx Static Free 0.25 lbs/sx Cello Flake 2.0 lbs/sx Kol Seal 5% bwoc A-10 5% bwoc Sodium Metasilicate 0.5 gal/100 sxs FP-13L 1.0 lb/sx Pheno Seal 10 lbs/sx CSE-2 154.9% Fresh Water
		Tail:	<b>Type III</b>	94 lb/sx Cement 0.04 lbs/sx Static Free 1% bwoc Calcium Chloride 0.5 gal/100 sxs FP-13L 85.2% Fresh Water
	Production:		<b>35:65 Poz Type III</b>	94 lb/sx Cement 0.04 lbs/sx Static Free 0.25 lbs/sx Cello Flake 0.3% bwoc R-3 3.0 lbs/sx Kol Seal 0.3% bwoc BA-59 0.5 gal/100 sxs FP-13L 10 lb/sx CSE-2 6.0% bwoc Bentonite II 0.5% bwoc Sodium Metasilicate

				0.3% bwoc FL-63 109.24% Fresh Water
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- a. The BLM in Moab, Utah will be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.
- b. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC times shall be recorded in the driller's log.

### BOP REQUIREMENTS

Bureau of Land Management's minimum specification for pressure control equipment are as follows:

- a. Ram Type 11" Hydraulic double ram with 5,000 psi annular, 5,000 psi wp.
- b. Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70% of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10% in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.
- c. Annular type preventers (if used) shall be tested to 70% of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.
- d. As a minimum, the above test shall be performed:
  - i. when initially installed
  - ii. whenever any seal subject to test pressure is broken
  - iii. following related repairs and
  - iv. at 30 day intervals
- e. Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.
- f. When testing the kill line valve(s) shall be held open or the ball removed.
- g. Annular preventers (if used) shall be functionally operated at least weekly.
- h. Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.
- i. A BOPE pit level drill shall be conducted weekly for each drilling crew.

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests. Pressure tests shall apply to all related well control equipment.

BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in

use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The BLM in Moab, Utah shall be notified, at least 24 hours prior to initiating the pressure test, in order to have a BLM representative on location during pressure testing.

- a. The size and rating of the BOP stack is shown on the attached diagram.
- b. A choke line and a kill line are to be properly installed. The kill line is not to be used as a fill-up line.
- c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.
- d. Drill string safety valve(s) to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

#### MUD PROGRAM

The proposed circulating mediums to be employed in drilling are as follows:

Interval (MD)	Mud Type	Mud Weight	Viscosity	Fluid Loss
0' – 2,050'	Air, Air Mist, Gyp, & Water	<8.5ppg	26 - 40	No Control
2,050' – 4,000'	Gyp	8.7 – 9.8 ppg	26 - 40	No Control
4,000' – TD	Saturated Salt Mud	10.1 – 10.5 ppg	35 - 45	<10cc/30 min

- a. Mud monitoring equipment to be used is as follows:  
Periodic checks of the mud systems will be made each tour. The mud level will be checked visually.
  - i. There will be sufficient mud on location to ensure well control. There will be approximately 450 bbls of mud in reserve. The mud system will be run utilizing a closed loop system.
  - ii. A mud test shall be performed every 24 hours after mudding to determine, as applicable, density, viscosity, gel strength, static filtration loss and Ph.
  - iii. Hazardous substances specifically listed by the EPA as hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing or completion operations.

#### AUXILIARY EQUIPMENT

Auxiliary equipment to be used is as follows:

PVT equipment measuring mud volume, pump strokes and percent return flow to be installed after setting surface casing and installing BOPE. This system includes alarms and remote terminals located on the rig floor.

- i. Mud logger with gas monitor – BSC to TD.
- ii. Choke manifold with remote control choke.

- iii. Full opening floor valve with drill pipe thread.
  - iv. Upper and lower kelly cock
  - v. PVT monitor on pit level, audio and visual below surface casing.
- Gas Buster, centrifuge and closed loop mud system

#### LOGGING, CORING TESTING PROGRAM

The anticipated type and amount of testing, logging and coring are as follows:

TD to Surface Casing	Quad Combo (GR/AIT/NEUT-DEN w/PE/BHC)
Coring:	No coring planned
Testing:	None planned

#### DOWNHOLE CONDITIONS

Pressures:	No abnormal conditions are anticipated Anticipated BHP gradient: 0.44 psi/ft
Temperatures:	No abnormal conditions are anticipated
H <sub>2</sub> S:	Anticipated. Please see H2S Contingency Plan
Fracture Gradient:	0.85 – 0.90 psi/ft.
Estimated BHP:	±3,960

#### COMPLETION

The location pad will be sufficient size to accommodate all completion activities and equipment. A string of 2-3/8", 4.7", N-80, EUE 8rnd will be run as production tubing. A Sundry Notice (SN) will be submitted with a revised completion program if warranted.

Completion plans are to drill, log, case, and perforate the McCracken formation prior to fracture stimulation. The zone normally requires stimulation upon completion. Stimulation design is pending the results of formation height, permeability and porosity.

Plan to perforate the McCracken and Lynch formations with casing guns and stimulate down the 7" casing with gelled water and proppant.

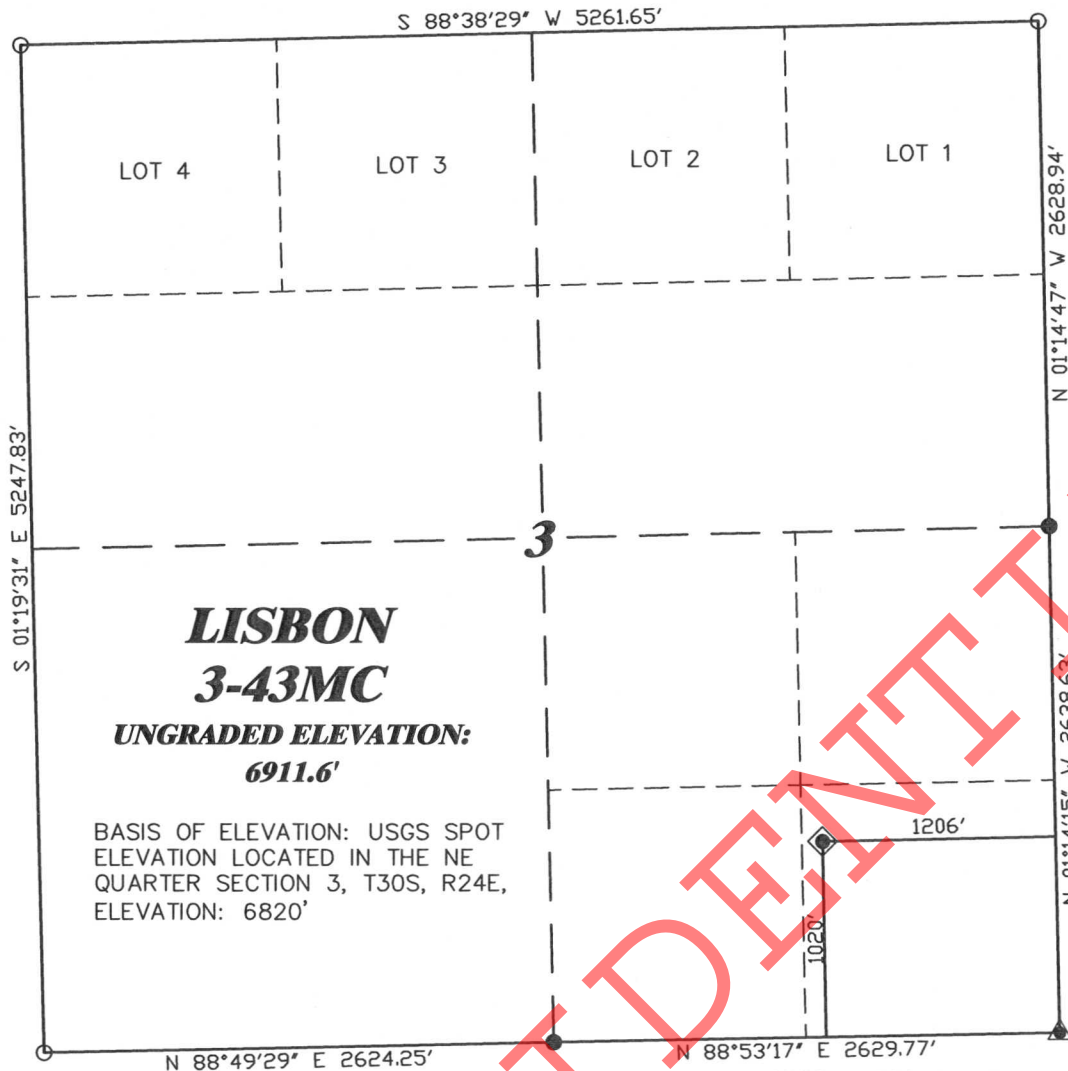


**R. 24 E.**

S 88°38'29" W 5261.65'



SCALE 1" = 1000'

**T. 30 S.**

**LATITUDE (NAD 83)**  
NORTH 38.202337 DEG.  
**LONGITUDE (NAD 83)**  
WEST 109.270268 DEG.

**LATITUDE (NAD 27)**  
NORTH 38.202348 DEG.  
**LONGITUDE (NAD 27)**  
WEST 109.269601 DEG.

**NORTHING**  
566811.81  
**EASTING**  
2640891.01

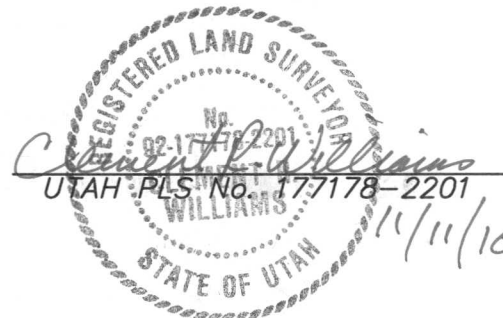
**DATUM**  
SPCS UTS (NAD 27)

**SURVEYOR'S STATEMENT**

I, CLEMENT R. WILLIAMS, OF ROCK SPRINGS, WYOMING, HEREBY STATE: THIS MAP WAS MADE FROM NOTES TAKEN DURING AN ACTUAL FIELD SURVEY DONE UNDER MY DIRECT SUPERVISION ON NOVEMBER 6, 2010 AND THAT THIS PLAT CORRECTLY SHOWS THE LOCATION OF LISBON 3-43MC AS STAKED ON THE GROUND.

**LEGEND**

- ◆ WELL LOCATION
- BOTTOM HOLE LOC. (APPROX)
- FOUND MONUMENT
- ▲ PREVIOUSLY FOUND MONUMENT
- CALCULATED CORNER



**RIFFIN & ASSOCIATES, INC.**  
1414 ELK ST., ROCK SPRINGS, WY 82901

(307) 362-5028

DRAWN: 11/10/10 - MMM

SCALE: 1" = 1000'

REVISED: NA

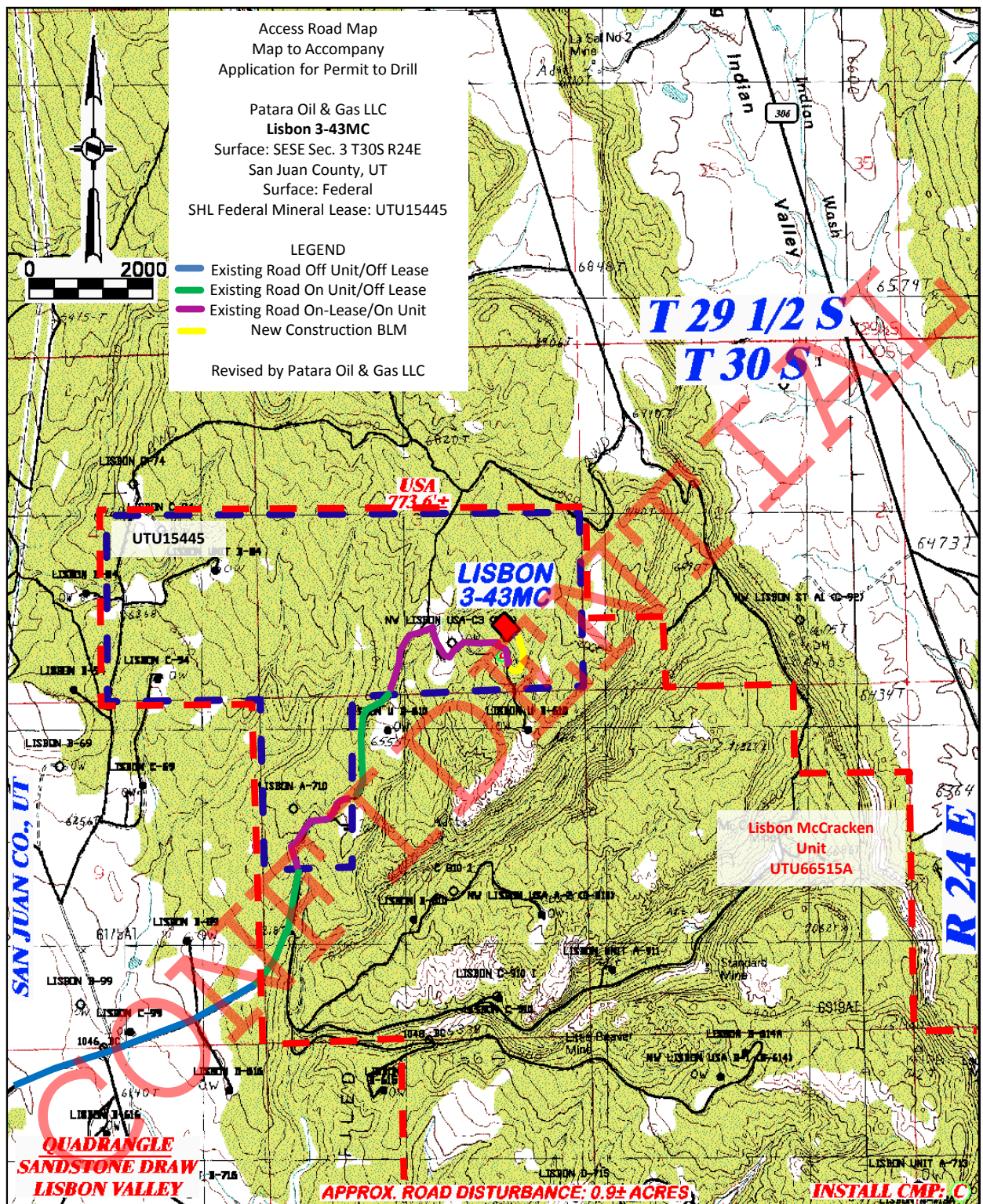
DRG JOB No. 18223


EXHIBIT 1

**PLAT OF DRILLING LOCATION  
FOR  
PATARA OIL & GAS, LLC.**

**1020' F/SL & 1206' F/EL, SESE, SECTION 3,  
T. 30 S., R. 24 E., SLBM  
SAN JUAN COUNTY, UTAH**





 <b>DRG RIFFIN &amp; ASSOCIATES, INC.</b> (307) 362-5028 1414 ELK ST., ROCK SPRINGS, WY 82901		<b>PROPOSED ROAD FOR</b> <b>PATARA OIL &amp; GAS, LLC.</b> <b>LISBON 3-43MC</b> <b>SECTION 3, T30S, R24E</b>	
<b>DRAWN: 11/11/10 - MMM</b>	<b>SCALE: 1" = 2000'</b>	<b>TOTAL PROPOSED LENGTH: 773.6±</b>	
<b>REVISED: NA</b>	<b>DRG JOB No. 18223</b>	<b>PROPOSED ROAD ——— EXISTING ROAD ———</b>	
<b>EXHIBIT 4</b>			



Patara Oil & Gas LLC  
**Lisbon 3-43MC**  
SHL: 1,020' FSL 1,206' FEL  
SE/4 SE/4 SEC 3 TWN 30S RNG 24E  
San Juan County, UT  
Federal Lease #: UTU15445

CONFIDENTIAL

Operator Certification

I hereby certify that Patara Oil & Gas LLC and its contractors and sub-contractors are responsible for the operations conducted under this application subject to the terms and conditions of the mineral lease. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Patara Oil & Gas LLC under their statewide bond, BLM Bond No. UTB000428.

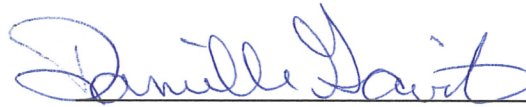
I hereby certify that I or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved, I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

OPERATORS REPRESENTATIVES

Patara Oil & Gas LLC  
600 17<sup>th</sup> Street, Suite 1900S  
Denver, CO 80202  
Phone: 713-579-6000  
Fax: 713-579-6611

Danielle Gavito - 303-563-5378  
Ryan Calhoun - 303-563-5373

EMPLOYEE AGENT  
Danielle Gavito - 303-563-5378

  
Danielle Gavito



Patara Oil & Gas LLC  
**Lisbon 3-43MC**  
SHL: 1,020' FSL 1,206' FEL  
SE/4 SE/4 SEC 3 TWN 30S RNG 24E  
San Juan County, UT  
Federal Lease #: UTU15445

CONFIDENTIAL

Onshore Oil & Gas Order No. 1  
Twelve Point Surface Use Plan of Operations

The proposed wellsite will be an exploration well to be drilled from a new location, located in the SE/4 SE/4 of SEC 3 TWN 30S RNG 24E of San Juan County, Utah. The wellsite for the Lisbon 3-43MC was staked at 1,020' FSL 1,206' FEL, SE/4 SE/4 of SEC 3 TWN 30S RNG 24E on November 6, 2010, by Clement R. Williams, surveyor. A Notice of Staking (NOS) was submitted to The Bureau of Land Management (BLM) in Moab, Utah via the Well Information System (WIS). This application included an onsite meeting conducted by the BLM for the subject wellsite, held on March 23, 2011, where specifics involving the proposed location were discussed. In attendance; Theresa Garcia, Bob Davis, Danny White, Dee Foote, and Keith Dana - all with Patara Oil & Gas, Bob Noonan - Banko Petroleum Management, Eric Jones, Becky Dolittle, Dave Skinner, Pam Riddle, and Aron King - all with Bureau of Land Management Moab Field Office, Cliff Giffen, Michael Durkin, Brian Quigley, and Mandy Scott - all with the Bureau of Land Management Monticello Field Office, Chris Gayer - Grasslands Consulting, and Ron Renke - D.R. Griffin. Specific requests of the BLM have been addressed within this plan.

A. EXISTING ROADWAYS

The proposed wellsite is located approximately 8 miles west of the town of La Sal in San Juan County, Utah. The location can be reached by following the directions below.

1. From the town of La Sal, travel westerly on State Highway 46 for approximately 7.8 miles to the intersection with State Highway 191 at La Sal Junction. Turn left and travel Southerly for 8.2 miles on State Highway 191 to the intersection with County Road 2448 (AKA Steens Road). Then turn right and travel Southeasterly and Easterly on County Road 2448 for 5.2 miles to the intersection with County Road 114. Continue Easterly and Northeasterly on County Road 114 for 0.7 mile to the intersection with a graded service road. Then turn left and travel Northeasterly on the graded service road for 1.5 miles to the staked access road for the proposed Lisbon 3-43MC well. Then turn left and travel easterly and northerly on the staked access road for 0.15 mile to the staked Lisbon 3-43MC pad.
2. For access roads, please refer to Exhibit 2, 2-A, 2-B, 2-C, 4, 4-B, Exhibit A and Exhibit 5.
3. Existing roads within a 1-mile radius are shown on Exhibits 4, 4-B and 5, and consist of a dirt road that could provide access to the proposed location. Per the

onsite on March 23, 2011, Patara will install a Class III road with all- weather surface. San Juan County Road 2448 (AKA Steens Road) is an all-weather Class III. Beginning at the turn off from CR 114, 8,490 feet of SJ County Road D0906 will be upgraded. No cut, fill, or culverts will be required for D-class road upgrade or but a culvert will be necessary for new access road construction. See Exhibit 4 for culvert placement. All road upgrades will be completed within the existing disturbance.

4. Existing roads will be maintained and kept in good repair during all drilling and completion operations.

#### **B. NEW AND RECONSTRUCTED ACCESS ROADS**

Please see Exhibit 4 Proposed Access Road. This Application for Permit to Drill shall also serve as an application for any ROW going from County Road 114 to the new construction of the proposed access road connecting the existing service road to the pad.

773' ( $\pm$  0.9 acres) – Section 3 T30S R24E, BLM, on lease.

1. This proposed access route will utilize an existing graded service road. The roadway will be upgraded to BLM standards using appropriate Best Management Practices. Road construction on public lands shall meet the minimum standards listed in the BLM Manual Section 9113 and shall be constructed under the direction of a qualified construction supervisor.
2. Width maximum – 35' overall right-of-way with a 14'–16' road running surface, crowned and ditched and/or sloped and dipped. Traveling off of the 35' right-of-way will be prohibited.
3. Maximum grade – Maximum grades will not exceed BLM standards. Borrow ditches are to be backsloped 3:1 or shallower.
4. Drainage design – the access road will be crowned and ditched or sloped and dipped as necessary to provide proper drainage along the access road route.
5. Culverts – One (1) culvert, measuring from 18" x 30' to 30" x 34' will be installed on the access road as shown on Exhibits 4, 4-A, and 4-B.
6. Surface materials – Surfacing material to consist of native material from the road crown. Topsoil is to be segregated, protected, and stabilized until needed for reclamation purposes. During reclamation, backslope of borrow ditch will be re-seeded per Section 11 of this Surface Use Plan of Operations (SUPO). If any additional surfacing materials are required they will be purchased from a local contractor having a permitted source of materials in the area.
7. Road maintenance – during both the drilling and production phases of operations; the road surface and shoulders will be kept in a safe, legal condition and will be maintained in accordance with the original construction standards. The access road right-of-way will be kept free of trash during operations.
8. Dust will be controlled on the roads and locations during construction and drilling by periodic watering of the roads and locations or application of various dust agents, surfactants and road surfacing material. Dust agents and surfactants (except water) will require pre-approval before use on BLM lands.
9. Noxious weeds, which may be introduced due to soil disturbance associated with the proposed lease operations, will be treated by methods to be approved by the

Authorized Officer and in compliance with the joint BLM/Forest Service Noxious and Invasive Weed Management Plan for Oil and Gas Operators.

C. LOCATION OF EXISTING WELLS WITHIN A TWO-MILE RADIUS

Proposed	SEE TABLE 1
Drilling	NONE
Abandoned	SEE TABLE 1
Disposal/injection	NONE
Shut-In	SEE TABLE 1
Producing	SEE TABLE 1

The nearby well data has been taken from the UDOGM website on December 8, 2011.

D. LOCATION OF EXISTING AND/OR PROPOSED PRODUCTION FACILITIES

1. BLM will be contacted prior to construction of production facilities. Please see Exhibit 2-B for anticipated production facilities layout. Existing specifications are as follows:
  - i. Dimensions of the pad are 345' x 285' = 98,325 ft<sup>2</sup> for drilling operations. Total disturbance is approximately 4.60 acres.
  - ii. Construction methods and materials will conform to BLM specifications. If warranted, additional surfacing material will be obtained from commercial sources or an approved borrow area.
  - iii. The area used to contain the proposed production facilities will be built using native materials. If these materials are not acceptable, arrangements will be made to acquire appropriate materials from private sources.
  - iv. Traveled portion of production site will be gravel surfaced upon completion of production facility installation and prior to production. Site preparation for production will be done with standard exaction equipment. Salvaging and spreading of topsoil will not be performed when the ground or topsoil is frozen or too wet to adequately support construction equipment. If such equipment creates ruts in excess of four (4) inches deep, the soil will be deemed too wet.
  - v. Production equipment will be painted light reflective colors to limit evaporation and waste of liquid hydrocarbons. All above ground permanent structures will be painted to blend with the surrounding landscape. The color specified is Pantone Supplemental Environmental Color Beetle (19-0312). To reduce the view of production facilities from visibility corridors and private residences, facilities will not be placed in visually exposed locations (such as ridgelines and hilltops). Facilities required to comply with Occupation Health and Safety Act Rules and Regulations will be excluded from this painting requirement. The tallest structure will be no greater than 20' in height.
2. The rig layout, and pad layout plats for the site are illustrated on Exhibits 2, 2-A, 2-B, 2-C and Exhibit A.

3. The well from this pad is proposed as a flowing oil well. The proposed well pad lies on federal surface. If productive, the proposed facilities will include production equipment and flowlines. Guards will be installed around the well for protection of wildlife and livestock.
4. Patara shall protect all survey monuments, witness corners, reference monuments and bearing trees in the affected areas against disturbance during construction, operations, maintenance and termination of the facilities authorized herein. Patara shall immediately notify the authorized officer in the event that any corners, monuments or markers are disturbed or are anticipated to be disturbed. If any monuments, corner or accessories are destroyed, obliterated or damaged during construction, operation or maintenance, Patara shall secure the services of the Registered Land Surveyor to restore the disturbed monuments, corner or accessories, at the same location, using surveying procedures found in the Manual of Surveying Instructions for the Survey of Public Lands of the United States, latest edition.
5. During drilling and subsequent operations, all equipment and vehicles will be confined to the access road right-of-way and any additional areas as specified in the approved Application for Permit to Drill.
6. Topsoil will be stripped to a minimum depth of 6" or to the depth of all growth medium above sub-soils. Topsoil storage will take the form of a perimeter berm and be seeded to maintain viability. Stored topsoils will be seeded within 48 hours of completed pad construction.
7. The cut and fill slopes will be protected against erosion with measures such as water bars, lateral furrows, or other measures approved by the Authorized Officer. Woody vegetative debris, weed free straw bales and/or a fabric silt fence will be used at the toe of the fill slopes. Patara will be responsible for road maintenance from the beginning to completion of operations.

**E. LOCATION AND TYPES OF WATER SUPPLY**

- A) Water that will be used for drilling will be transported by truck from either Redd-Agra or the Lisbon Gas Plant under existing permits. Water that will be used for completions will be supplied by Reams Construction from Naturita, Colorado under existing permits. If a closer water source is identified and deemed usable, Patara will notify the Authorized Officer (AO) with the necessary information.
- B) Anticipated water use is as follows:  
Drilling water requirements are anticipated to be approximately 2,000bbls.  
Completion water requirements are anticipated to be approximately 1,500 to 3,000bbls.  
Road watering will be done only if conditions dictate to control fugitive dust emissions.

**F. SOURCE OF CONSTRUCTION MATERIALS**

- A) Construction materials will consist of native materials from borrow ditches and location areas.



- B) Surfacing materials will be obtained from available permitted sources, if needed, and consist of pit gravel. No construction materials will be removed from Federal land without prior approval.

G. METHODS FOR HANDLING WASTE MATERIALS

1. Drill cuttings will be transported offsite to an approved disposal site when dry.
2. A closed loop system will be used, no reserve pit required.
3. Solids/blooiie pit layout is illustrated on Exhibits 2, 2-A, 2-B, and 2-C.
4. The solids/blooiie pit will be lined. It will be lined with a synthetic liner 12 mil or thicker. The solids/blooiie pit liner shall be made of any manmade synthetic material of sufficient size and qualities to sustain a hydraulic conductivity no greater than  $1 \times 10^{-7}$  cm/sec after installation and which is sufficiently reinforced to withstand normal wear and tear associated with the installation and pit use thereof. The liner shall be chemically compatible with all substances that may be put into the pit
5. The solids/blooiie pit will not be fenced during drilling operations. Upon rig release, the pit will be fenced and netted until backfilled and closed.
6. Flare pit for air drilling will (if used) be located minimum 100' from wellbore.
7. Produced fluids – fluid produced during completion and testing operations will be placed in test tanks on the location.
8. Sewage – sewage disposal facilities will be in accordance with State and Local Regulations. Sewage may not be buried on location or put in a borehole. Utah Department of Health (UDH) Regulations prevent this unless a UDH Permit is obtained.
9. Garbage, trash and other waste materials will be collected in a portable, self-contained and fully-enclosed trash cage during drilling and completion operations. Upon completion of operations (or as needed) the accumulated trash will be disposed of at an authorized sanitary landfill. No trash will be burned on location or placed in pits or bore holes.
10. Immediately after removal of the drilling rig, all debris and other waste materials not contained in the trash cage will be cleaned up and removed from the well location. No adverse materials will be left on the location. Any open pits will be fenced to preclude entry by livestock and maintained until such time as the pits are backfilled.
11. Upon release of the drilling rig, rathole and mousehole will be filled. Debris and equipment not required for production will be removed.
12. Waste from the solids pit will be transported to an approved disposal facility. If Patara decides to solidify the pit at a later date, a SN will be submitted to the BLM notifying them of the planned procedure.
13. An emissions inventory will be provided under separate cover by Golder Associates Inc.

H. ANCILLARY FACILITIES

1. No ancillary facilities are anticipated.



## I. WELLSITE LAYOUT

1. The attached Exhibits 2 and 2-A specify the drill site layout as proposed. Cross sections (Exhibit 3) have been drafted to visualize the planned cuts and fills across the location. The well will be drilled from a newly constructed pad.
2. Roads and well production equipment, such as tanks, treaters, separators, vents, electrical boxes, and equipment associated with pipeline operation, will be placed on location so as to permit maximum interim reclamation of disturbed areas.
3. No permanent living facilities are planned (refer to the rig location layout plat Exhibit 2). One to four (1 -4) trailers may be required on location during drilling operations, for use by the rig crew. These trailers will be placed adjacent to the drilling rig, and a safe minimum distance from all operational equipment.
4. Topsoil will be stockpiled adjacent to the wellsite within the maximum disturbed area shown on the wellsite plat. Topsoil and spoils pile will be clearly separated as shown on Exhibits 2, 2-A, and 2-B.

## PIPELINES AND FLOWLINES

Please see Exhibit A, Pipeline Exhibit.

*A separate Right-of-Way (ROW) application for the pipeline route will not be necessary as the entire pipeline route falls within the mineral lease.*

1. No blading of the surface will be allowed for the pipelines.
2. Pipelines will be constructed of steel and include a 1 1/2" fuel gas line that goes to the Lisbon D-610, a 3" product line, and a 3" gas lift line.
3. There is an existing surface pipeline route containing one (1) 1 1/2" fuel gas line and one (1) 3" product line located approximately 290 feet to the south of the location. Approximately 573 feet of new 1 1/2" fuel gas line, 3" product line, and 3" lift gas line will be installed from the wellhead and tied in with the existing lines. A total of 2,312' of new 3" lift gas line will be laid running from the Lisbon D-610 to the Lisbon 3-43MC. Pipe laying equipment will be operated along the pipeline route during construction operations. No blading of the pipeline routes will be necessary.

## J. SURFACE RECLAMATION

### 1. Production

- i. Immediately upon well completion of all of the wells on the pad, the well pad location and surrounding areas(s) will be cleared of all debris, materials, trash and junk not required for production. These areas will be reseeded. Wellpad size will be reduced to minimum size necessary to conduct safe operations. Cuts and fills will be reduced to 3:1 or shallower.
- ii. Immediately upon well completion, any hydrocarbons on location shall be removed in accordance with Onshore Order #7. Solids/blooiie pit will be closed and backfilled as soon as the pit contents are dry enough to do so, or no later than 6 months after completion, per Onshore Order #1. A sundry notice will be filed with the BLM prior to commencement of activity. Solids/blooiie pit remaining open after this period will require written authorization of the AO.

- iii. Before any dirt work to restore the location takes place, any pits will be completely dry and all cans, barrels, pipe, etc. will be removed. Other waste and spoil materials will be disposed of immediately upon completion of drilling and workover activities for well on the pad. Any hydrocarbon-laden debris located in the solids pit will be removed, and disposed of at an approved landfill site along with the pit liner. The pits will be backfilled with soils materials taken from location, and contoured to promote proper drainage.
  - iv. The portions of the cleared wellsite not needed for operational and safety purposes will be recontoured to the original contour if feasible, or if not feasible, to an interim contour that blends with the surrounding topography as much as possible.
  - v. Initial seedbed preparation will consist of backfilling, leveling, and ripping all compacted areas. The recontouring will restore as much of the original grades as possible, reducing the final reclamation disturbance required. Visual Resource Management, Stormwater Management & Revegetation requirements will all be taken into account when recontouring the site. After subsoils have been replaced and the site recontoured, the topsoil will be spread in a manner to maximize its redistribution and facilitate seedbed preparation. All areas of unstabilized soils and surfaces will undergo seeding according to the Bureau of Land Management habitat-based seed mixes and/or site-specified seed mix.
2. Interim or Final Reclamation (Production)
- i. For compacted areas, initial recontouring and seedbed preparation will include ripping to a minimum depth of 18-24 inches on 12-24 inch spacing. Where possible, rip will be done in two passes at perpendicular directions with the final pass on contour to promote snowmelt and rain infiltration and minimize the erosion potential. On sites with limited topsoil resources (less than 1" depth) or sites with undesirable subsoils (to prevent topsoil and subsoil mixing), compaction relief shall take place prior to topsoil redistribution. Compaction relief shall take place after mass rough grading has been accomplished. In cases where loose or erodable soils may be lost, compaction shall be introduced to subsoils and topsoils as necessary. Rough grading shall be accomplished in a manner that incorporates visual, stormwater and revegetation management needs. Ideally, interim reclamation should accomplish as much final reclamation as possible. When site conditions prevent this, future final reclamation needs shall be taken into account. Other than micro-depressions created to support reclamation success, such as pitting or pocking, and terminal stormwater containments (designed to eventually silt themselves out of existence) and the pad stormwater/snow storage basins for stormwater management, no depressions will be left that will trap water or form ponds. Following contouring, all backfilled, ripped or otherwise disturbed surfaces shall be evenly covered with salvaged topsoil. When topsoil

resources are in short supply, they shall be spread in the following priority; south facing slopes, west facing slopes, east facing slopes, north facing slopes, shallow slope areas, drainage swales and lastly containment bottoms. Final seedbed preparation includes scarifying such as disking, pitting, contour cultivating, raking or harrowing the redistributed topsoil prior to seeding. Seedbed may also be roller-packed, following the natural contours. If the area is to be broadcast-seeded or hydro-seeded, or if more than one season has elapsed since final seedbed preparation, scarification will be repeated no more than 24 hours before prior to seeding, to break up any soil crust that has formed and to enhance seed-to-soil contact.

If seed is drilled, it will be on contour, generally at a depth no greater than one-half inch (1/2), unless seed types require differently. In areas that cannot be drilled, seed will be broadcast at double the seeding rate and harrowed into soil if seeded more than 24 hours after seedbed prep.

On BLM lands, all disturbed areas shall be seeded with the specified mixture of Pure Live Seed (PLS), certified to be weed-free. To maintain quality, purity, germination and yield, only tested, certified seed for the current year, with a minimum germination rate of 80% and a minimum purity of 90% shall be used.

A proposed seed mixture for this location is:

3#/acre PLS – Indian ricegrass

3#/acre PLS – Intermediate wheatgrass

2#/acre PLS – Galleta grass

2#/acre PLS – Fourwing saltbrush

2#/acre PLS – Antelope Bitterbrush

1#/acre PLS – Forage Kocha

1#/acre PLS – Scarlet globemallow

14#/acre PLS – TOTAL

Seed shall be viability-tested in accordance with State law(s) and within 9 months before purchase. On private land, BLM recommended seed mixes are recommended, but the surface landowner has ultimate authority over the seed mix to be used in reclamation, provided that it contains no State or County noxious, prohibited, or restricted weed seeds and that it contains no more than 0.5 percent by weight of other weed seeds.

Fall seeding will be completed after September 1, and prior to prolonged ground frost. To be effective, spring seeding will be completed after the frost has left the ground and prior to May 15<sup>th</sup>. Perennial vegetation must be established, so additional prep and reseeding will be completed annually until standards are met. Seeding will be considered successful when the site is protected from erosion and revegetated with a self-sustaining, vigorous, diverse, native (or otherwise approved) plant community that minimizes loss of habitat, visual resources, and forage.

Reclamation will be considered successful if the following criteria are met:

- 70% of the cover of a comparable undisturbed adjacent area.
- 90% dominate species\*
- Erosion features equal to or less than surrounding area

\* The vegetation will consist of species included in the seed mix and/or occurring in the surrounding natural vegetation.

3. Final Restoration (Dry Hole, Abandon Location – Removal of Equipment)

- i. Flowlines on location will be removed before final site reclamation and all surface flowlines between the wellsite and production facilities will be removed. If any buried flowlines remain, they would be filled with water and capped below ground level. Any offsite surface pipelines that are not necessary for other field operations will be removed.
- ii. All disturbed areas, including roads, pipelines, pads, production facilities, and interim reclaimed areas will be recontoured to the contour existing prior to initial construction or a contour that blends indistinguishably with the surrounding landscape. Resalvaged topsoil will be spread evenly over the entire disturbed site to ensure successful revegetation. To help mitigate the contrast of recontoured slopes, reclamation will include measures to feather cleared lines of vegetation and to save and redistribute cleared trees, woody debris, and large rocks over recontoured cut/fill slopes.

If necessary to ensure timely revegetation, the pad will be fenced to BLM standards to exclude livestock grazing for the first two growing seasons or until seeded species become firmly established, whichever comes later. Fencing will meet standards found on page 18 of the Gold Book, 4<sup>th</sup> Edition. Revegetation will be accomplished by planting mixed grasses as specified below. Revegetation is recommended for road area as well as around production site.

iii. **A proposed seed mixture for this location is:**

- 3#/acre PLS – Indian ricegrass
- 3#/acre PLS – Intermediate wheatgrass
- 2#/acre PLS – Galleta grass
- 2#/acre PLS – Fourwing saltbrush
- 2#/acre PLS – Antelope Bitterbrush
- 1#/acre PLS – Forage Kocha
- 1#/acre PLS – Scarlet globemallow
- 14#/acre PLS – TOTAL

The seeds shall be certified weed free. Seeding shall be done between September 1 and February 28.

- iv. Distribute topsoil, if any remains, evenly over the location, and seed according to the above seed mixture. If needed the access road and location shall be ripped or disked prior to seeding. Perennial vegetation must be established. Additional work shall be required in case of seeding failures, etc.
- v. Once Federal authorization has been given, access roads and well pad locations will have any all-weather surfacing material removed once the well has been completed and final reclamation is underway.

#### K. OWNERSHIP

1. Mineral Lessor  
Bureau of Land Management  
Moab Field Office  
82 East Dogwood  
Moab, UT 84532      Phone: 435-259-2100
2. Surface Owner  
Drillsite & Access  
Bureau of Land Management  
Moab Field Office  
82 East Dogwood  
Moab, UT 84532      Phone: 435-259-2100

#### L. ADDITIONAL INFORMATION

1. Project area is situated in the Lisbon Sandstone Draw area.
2. Topographic and geologic features: rocky soil, extensive areas of exposed bedrock.
3. Flora consists of: Juniper, Pinyon Pine, Mountain Mahogany, Prickly Pear, Indian Ricegrass, Mormon Tea, Groundsel, Bladderpod, Mustard, Matchbrush, Barrel Cactus.
4. Fauna: none observed. Site will incur Raptor stips (2/1- 8/31), migratory bird stips (5/1 – 8/1), Mexican Spotted Owl survey.
5. Patara will be fully responsible for the actions of their subcontractors. A copy of the approved APD and Conditions of Approval will be on location during drilling and completion operations.
6. Archaeological, cultural and historical information will be submitted under separate cover.
7. If any fossils are discovered during construction, the operator shall cease construction immediately and notify the AO so as to determine the significance of the discovery.

The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the AO. The AO will inform the operator as to the work needed to determine the following:

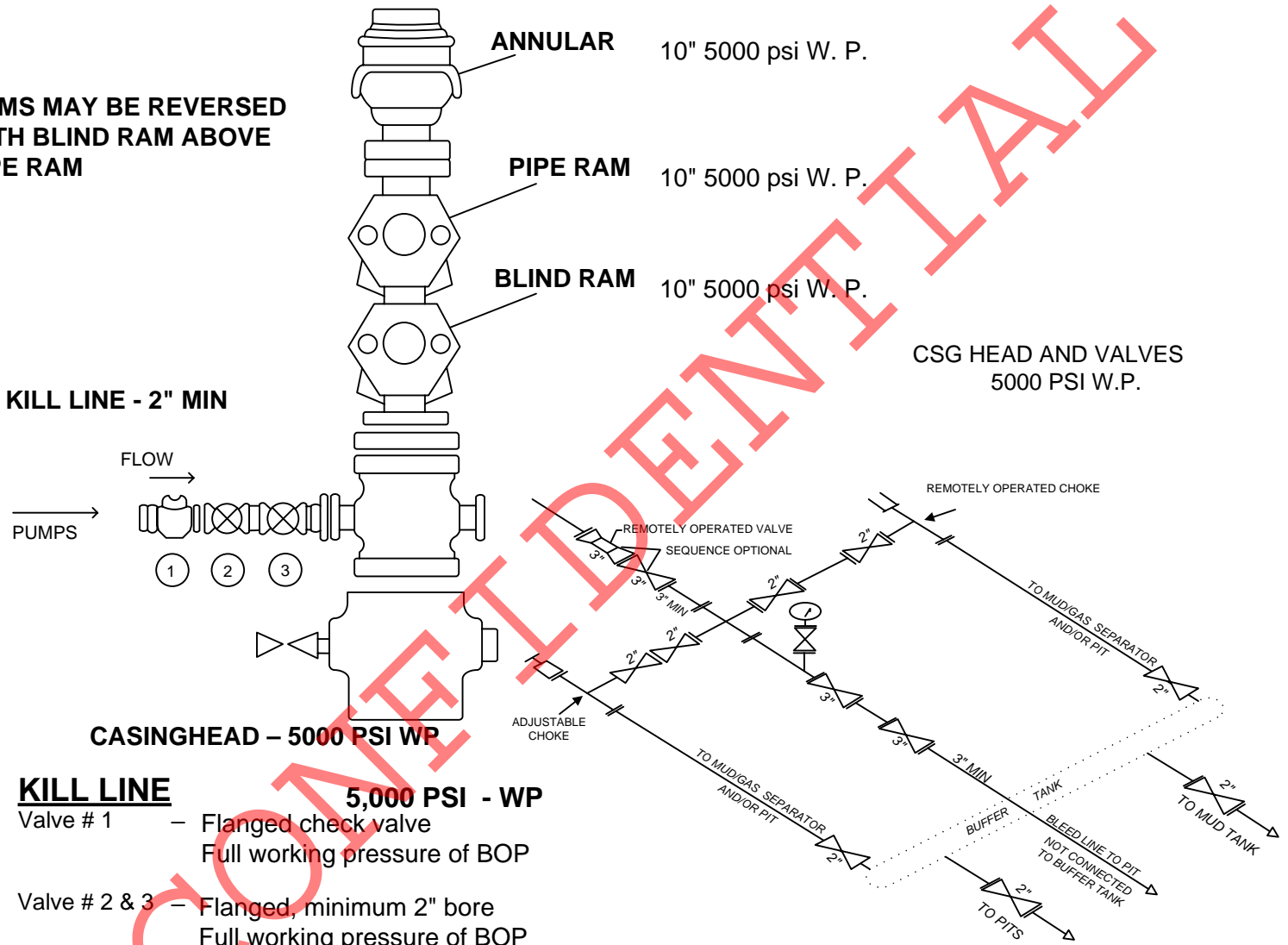
- Whether the materials appear eligible for the National Register of Historic Places; The mitigation measures the operator will likely have to undertake before the site can be used (assuming in site preservation is not necessary).
  - A timeframe for the AO to complete an expedited review to acquire the State Historic Preservation Officer's concurrence that the findings of the AO are correct and that mitigation is appropriate.
8. Any construction activity in the areas shall be done with awareness that many natural gas pipelines are buried. Some locations are apparent; some have grown over with weeds and brush. It is recommended that before digging, contractors should contact the operators in the area to locate all lines.
9. Patara Oil & Gas LLC maintains a file, per 29 CFR 1910.1200(g) containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds, and/or substances which are used during the course of construction, drilling, completion, and production operations for this project. Hazardous materials (substances) which may be transported across these lands may include drilling mud and cementing products which are primarily inhalation hazards, fuels (flammable and/or combustible), materials that may be necessary for well completion/stimulation activities such as flammable or combustible substances and acids/gels (corrosives). The opportunity for Superfund Amendments and Reauthorization Act (SARA) listed Extremely Hazardous Substances (EHS) at the site is generally limited to proprietary treating chemicals. All hazardous substances, EHS, and commercial preparations will be handled in an appropriate manner to minimize the potential for leaks or spills to the environment.

# MINIMUM BOP Requirements

5000 PSI

FILL LINE ABOVE THE UPPERMOST PREVENTER

RAMS MAY BE REVERSED  
WITH BLIND RAM ABOVE  
PIPE RAM



## GENERAL RULES AND RECOMMENDATIONS

All lines to manifold are to be at right angles (90 deg.). No 45 deg. Angles are to be used.  
Blind flanges are to be used for blanking.  
All studs and nuts are to be installed on all flanges.





## Patara Oil & Gas LLC

Dominion Towers • 600 17th Street, Suite 1900S • Denver, CO 80202

Phone (303) 825-0685 • Fax: (720) 235-4560

December 14, 2011

Ms. Diana Mason  
Utah Department of Natural Resources  
Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84116

RE: Rule R649-3-2. Location and Siting  
**Lisbon 3-43MC Well**  
Lisbon (McCracken) Unit  
San Juan County, Utah

Dear Ms. Mason:

Reference is made to that certain application for permit to drill (APD) covering the captioned well, which well is presently located 1020' FSL and 1206' FEL of Section 3, T30S, R24E, S.L.M., San Juan County, Utah (surveyor plat enclosed). The location of this step out well targeting the McCracken formation is located outside the 400 feet square "window" provided for under state rule R649-3-2. In accordance with state rule R649-3-3, Patara hereby respectfully requests an exception to said Location and Siting Wells rule and provides the following information in support thereof:

- 1.) Patara holds 100% of the oil and gas leasehold interest within a 460' radius of the proposed bottomhole location. Said leasehold is covered under Federal Oil and Gas Lease bearing the serial number UTU-0 015445, which covers the S2 of Section 3, the E2SE of Section 4 and the W2NW of Section 10, all of said township; and
- 2.) Said leasehold is committed to the Lisbon (McCracken) Federal Unit, case number UTU-066515A. The Unit Agreement serves to unitize all substances in the McCracken formation under the separate unit tracts forming one unit area to effectively and efficiently develop the unitized substances.

In consideration of the foregoing, we therefore respectfully request an exception to rule R649-3-2 for purposes of drilling the captioned well with a bottomhole at the location set forth in the revised APD. Should you have any questions, regarding this matter, please do not hesitate to give me a call at 303-563-5375.

Sincerely,

**Patara Oil & Gas LLC**  
Cassandra Squyres  
Land Consultant



**R. 24 E.**

S 88°38'29" W 5261.65'

LOT 4

LOT 3

LOT 2

LOT 1

S 01°19'31" E 5247.83'

**3****LISBON  
3-43MC****UNGRADED ELEVATION:  
6911.6'**BASIS OF ELEVATION: USGS SPOT  
ELEVATION LOCATED IN THE NE  
QUARTER SECTION 3, T30S, R24E,  
ELEVATION: 6820'

N 88°49'29" E 2624.25'

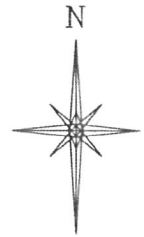
N 88°53'17" E 2629.77'

N 01°14'47" W 2628.94'

N 01°14'15" W 2638.63'

1000 500 0 1000 2000

SCALE FEET



SCALE 1" = 1000'

**T. 30 S.****LATITUDE (NAD 83)**

NORTH 38.202337 DEG.

**LONGITUDE (NAD 83)**

WEST 109.270268 DEG.

**LATITUDE (NAD 27)**

NORTH 38.202348 DEG.

**LONGITUDE (NAD 27)**

WEST 109.269601 DEG.

**NORTHING**

566811.81

**EASTING**

2640891.01

**DATUM**

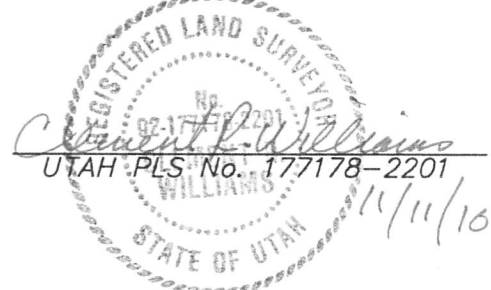
SPCS UTS (NAD 27)

**SURVEYOR'S STATEMENT**

I, CLEMENT R. WILLIAMS, OF ROCK SPRINGS, WYOMING, HEREBY STATE: THIS MAP WAS MADE FROM NOTES TAKEN DURING AN ACTUAL FIELD SURVEY DONE UNDER MY DIRECT SUPERVISION ON NOVEMBER 6, 2010 AND THAT THIS PLAT CORRECTLY SHOWS THE LOCATION OF LISBON 3-43MC AS STAKED ON THE GROUND.

**LEGEND**

- ◆ WELL LOCATION
- BOTTOM HOLE LOC. (APPROX)
- FOUND MONUMENT
- ▲ PREVIOUSLY FOUND MONUMENT
- CALCULATED CORNER

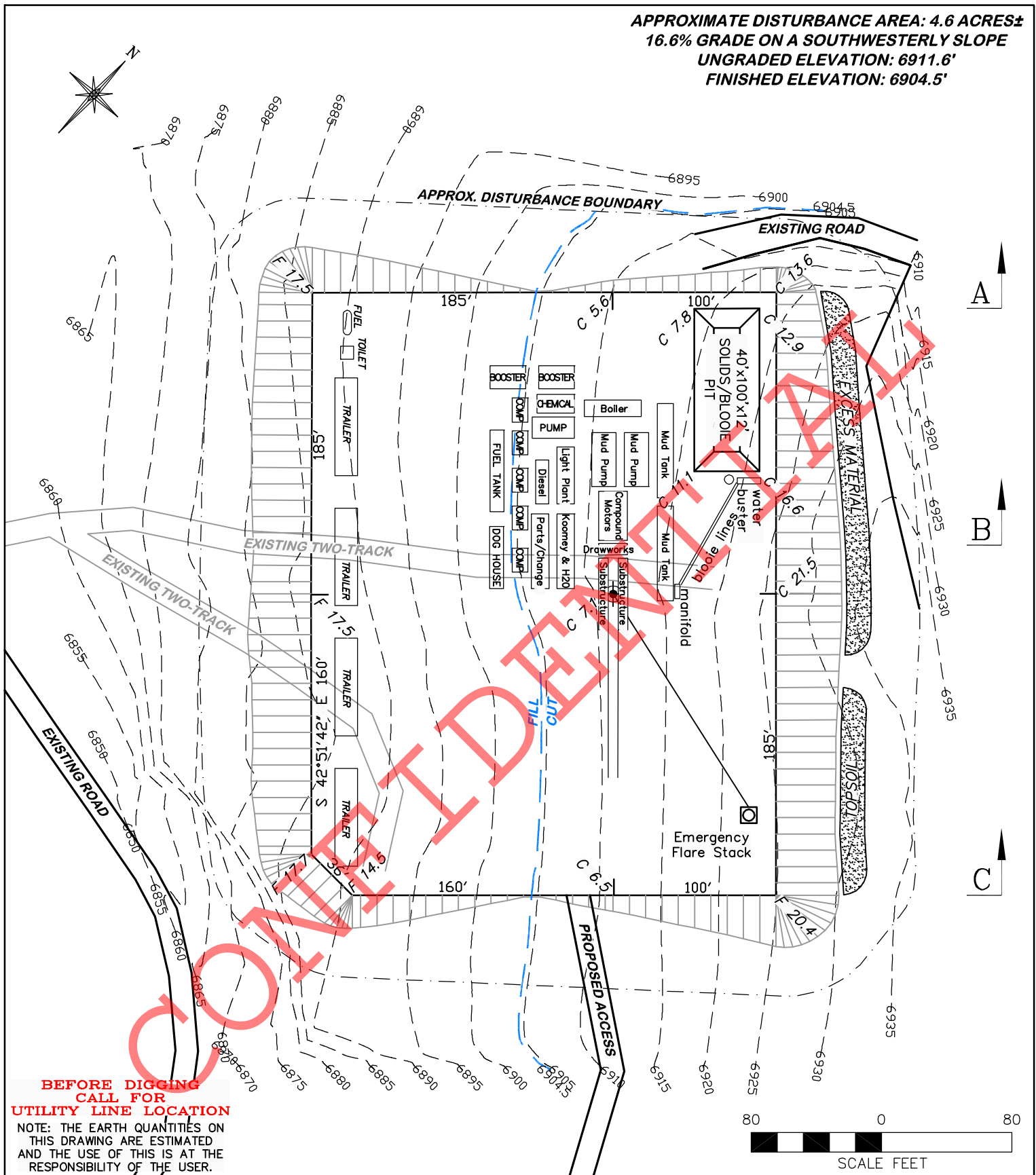
**RIFFIN & ASSOCIATES, INC.**

(307) 362-5028

1414 ELK ST., ROCK SPRINGS, WY 82901

**DRAWN: 11/10/10 - MMM****SCALE: 1" = 1000'****REVISED: NA****DRG JOB No. 18223****EXHIBIT 1****PLAT OF DRILLING LOCATION****FOR****PATARA OIL & GAS, LLC.****1020' F/SL & 1206' F/EL, SESE, SECTION 3,  
T. 30 S., R. 24 E., SLBM  
SAN JUAN COUNTY, UTAH**

**APPROXIMATE DISTURBANCE AREA: 4.6 ACRES±**  
**16.6% GRADE ON A SOUTHWESTERLY SLOPE**  
**UNGRADED ELEVATION: 6911.6'**  
**FINISHED ELEVATION: 6904.5'**



**DRG** **RIFFIN & ASSOCIATES, INC.**  
 1414 ELK ST., ROCK SPRINGS, WY 82901  
 (307) 362-5028

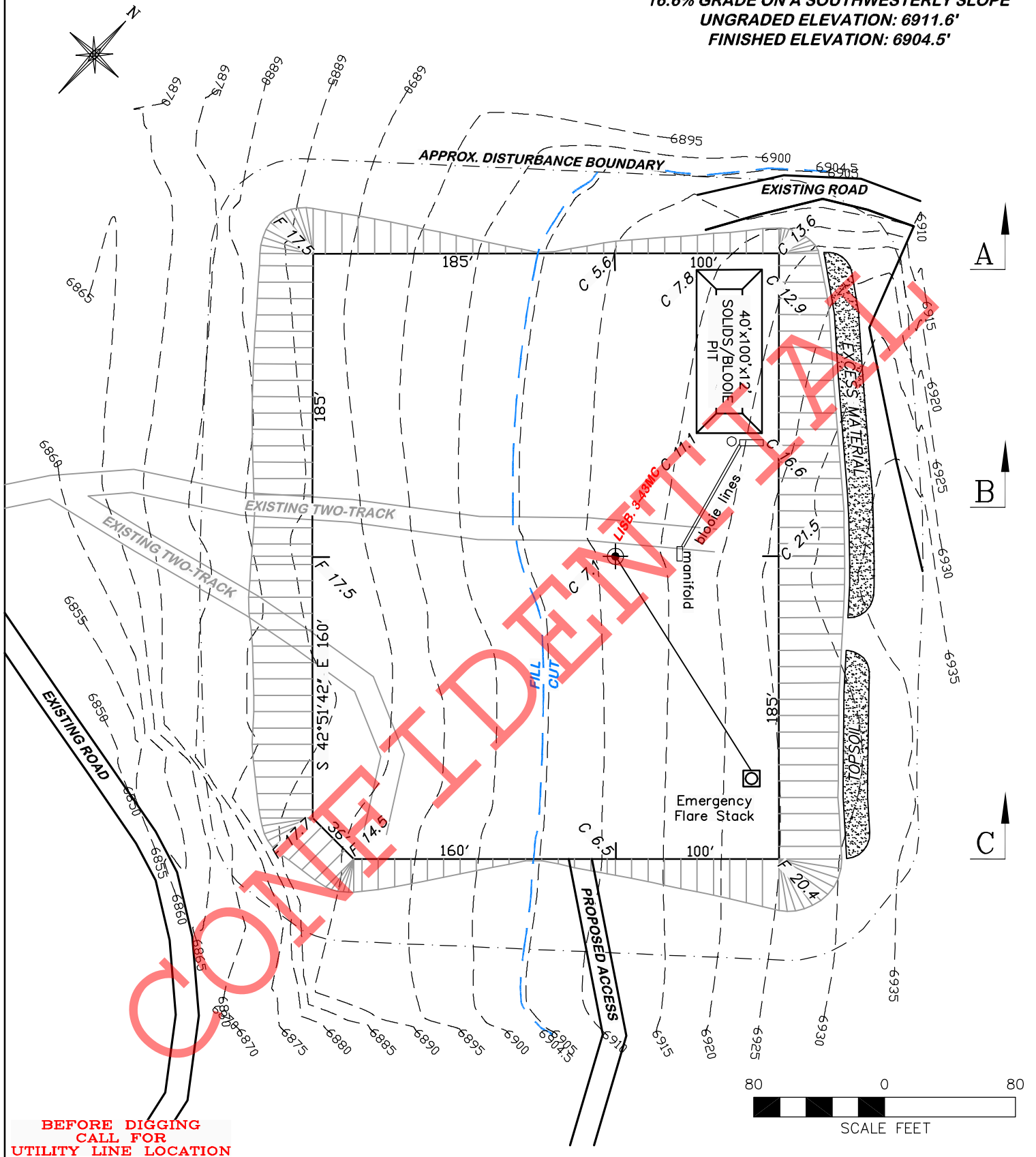
**PATARA OIL & GAS, LLC.**  
**LISBON 3-43MC**  
**SECTION 3, T30S, R24E**

**ESTIMATED EARTHWORK**

		ITEM	CUT	FILL	TOPSOIL	EXCESS
DRAWN: 11/11/10 - MMM	SCALE: 1" = 80'	PAD	19,442 CY	17,119 CY	1946 CY	377 CY
REVISED: 11/08/11 - CDC	DRG JOB No. 18223	PIT	1,975 CY			1,975 CY
NEW RIG/PIT LAYOUT	EXHIBIT 2	TOTALS	21,417 CY	17,119 CY	1946 CY	2,352 CY

**RECEIVED:** December 19, 2011

**APPROXIMATE DISTURBANCE AREA: 4.6 ACRES±**  
**16.6% GRADE ON A SOUTHWESTERLY SLOPE**  
**UNGRADED ELEVATION: 6911.6'**  
**FINISHED ELEVATION: 6904.5'**



**DRG** **RIFFIN & ASSOCIATES, INC.**  
 (307) 362-5028 1414 ELK ST., ROCK SPRINGS, WY 82901

DRAWN: 11/11/10 - MMM

SCALE: 1" = 80'

REVISED: 11/08/11 - CDC

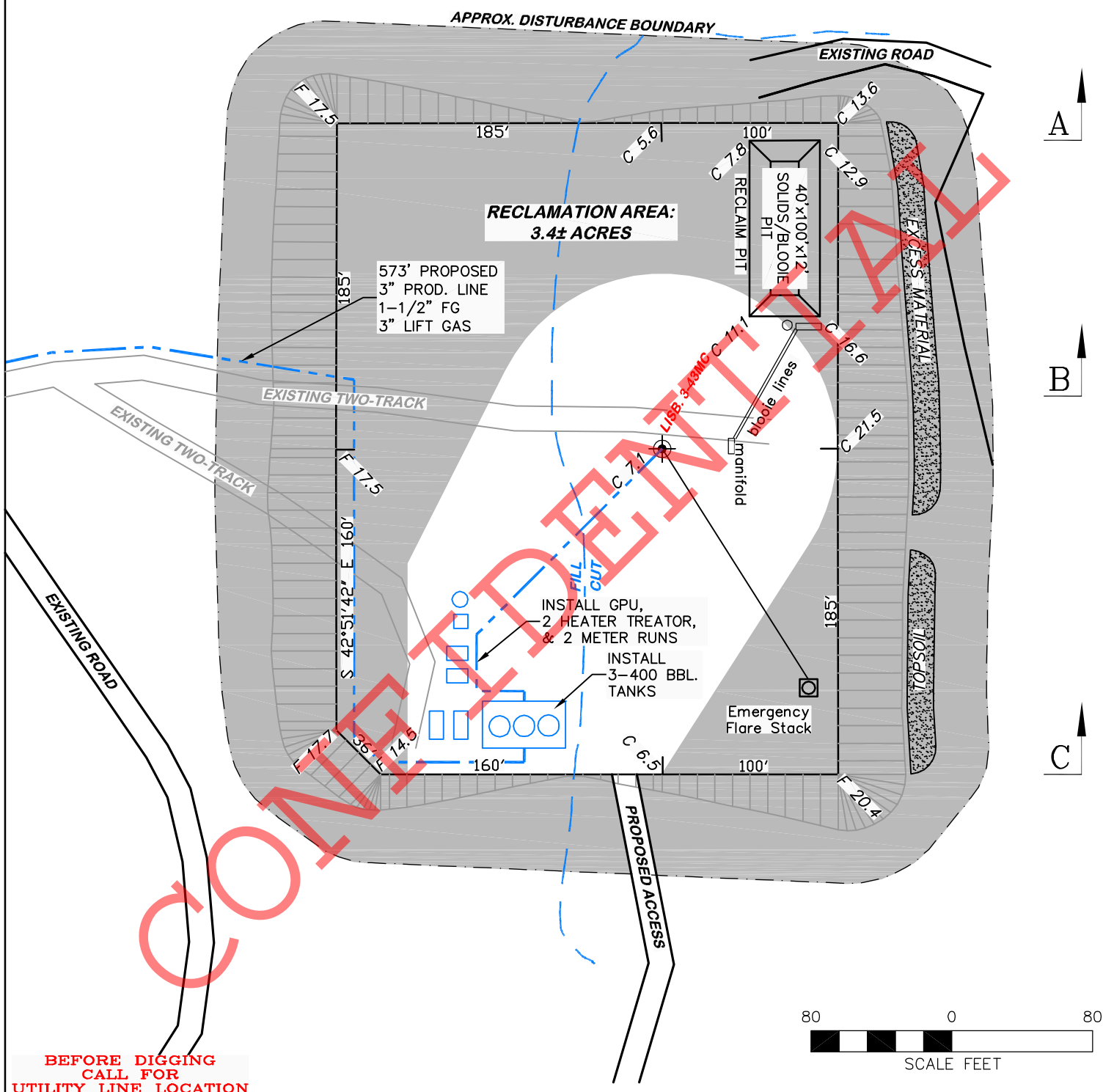
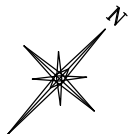
DRG JOB No. 18223

NEW RIG/PIT LAYOUT

EXHIBIT 2A

**PATARA OIL & GAS, LLC.**  
**LISBON 3-43MC**  
**SECTION 3, T30S, R24E**

**UNGRADED ELEVATION: 6911.6'**  
**FINISHED ELEVATION: 6904.5'**



**BEFORE DIGGING  
CALL FOR  
UTILITY LINE LOCATION**



**RIFFIN & ASSOCIATES, INC.**  
1414 ELK ST., ROCK SPRINGS, WY 82901

**(307) 362-5028**

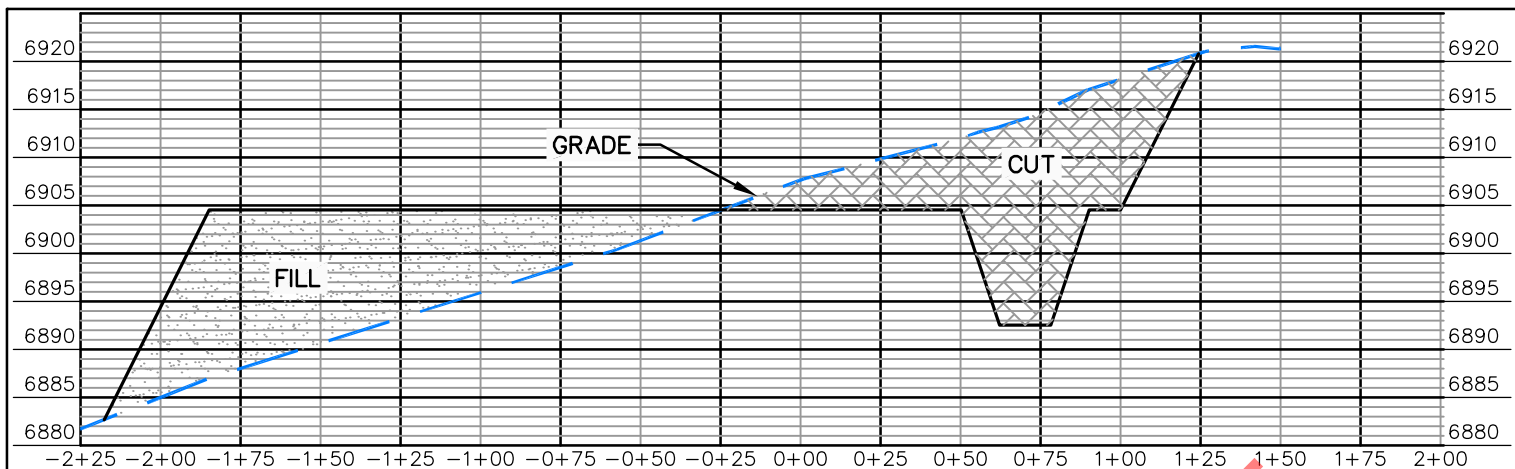
**SCALE: 1" = 80'**

**DRG JOB No. 18223**

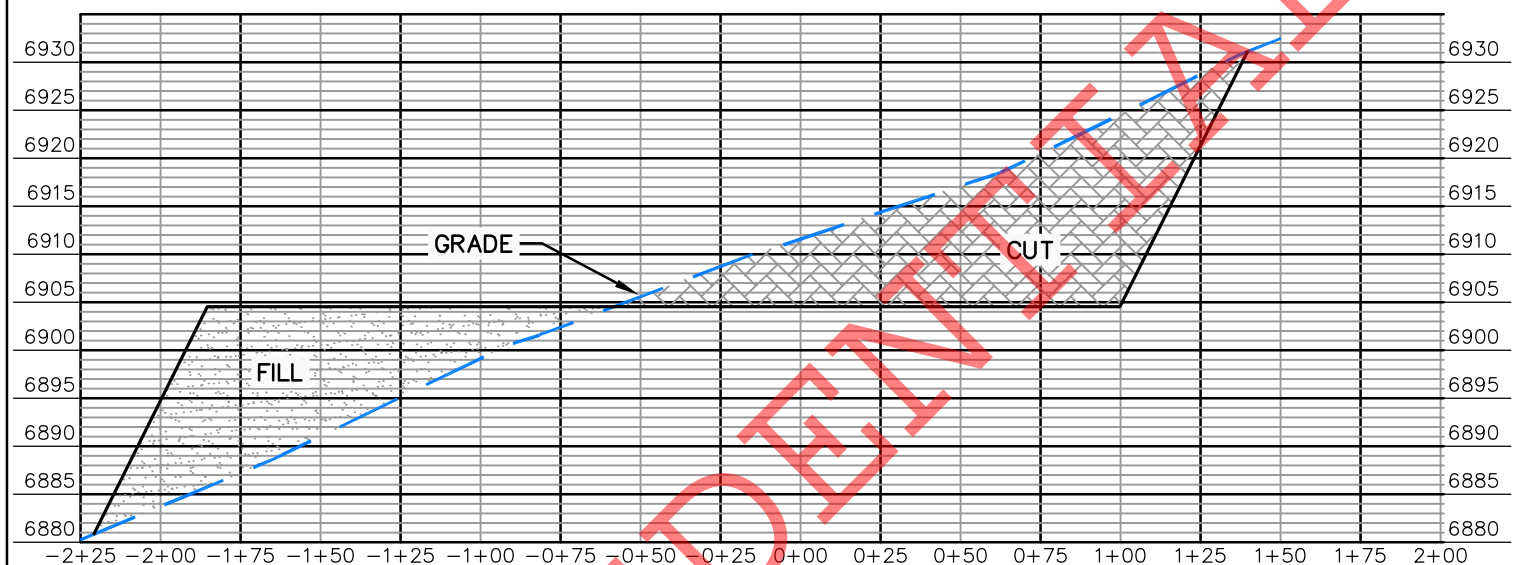
**EXHIBIT 2B**

**PATARA OIL & GAS, LLC.**  
**LISBON 3-43MC**  
**SECTION 3, T30S, R24E**

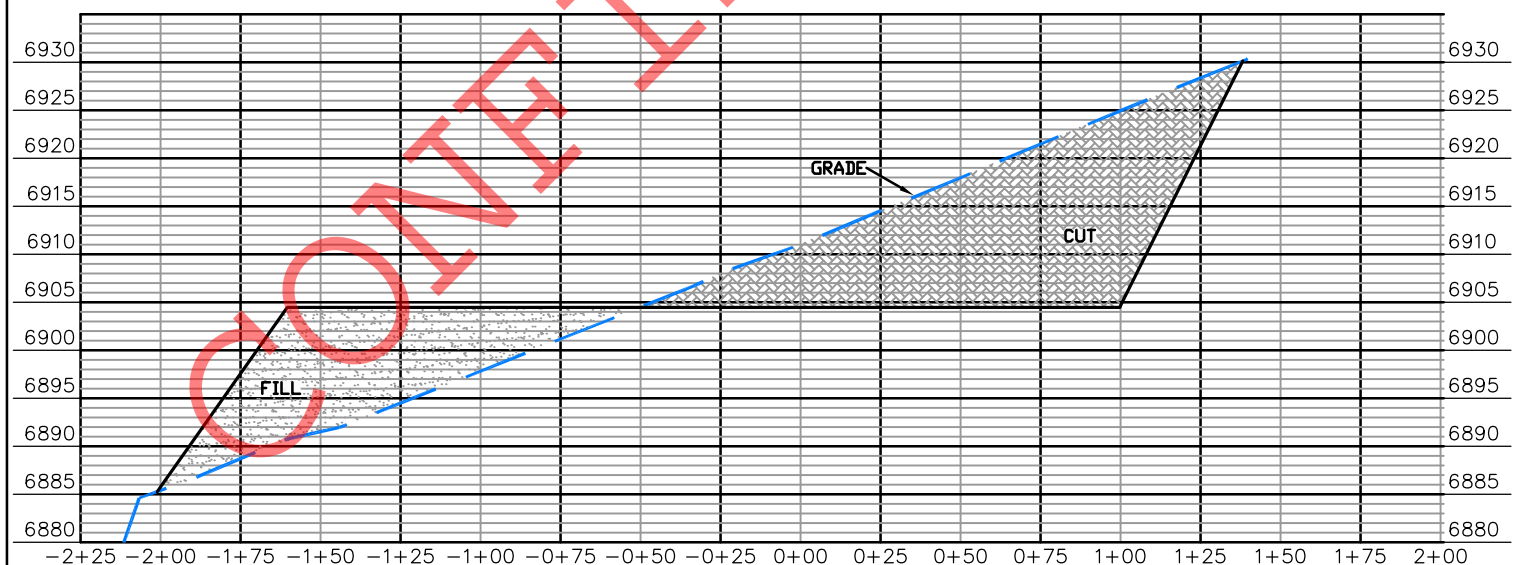
**UNGRADED ELEVATION: 6911.6'**  
**FINISHED ELEVATION: 6904.5'**



A



B



C



(307) 362-5028

**RIFFIN & ASSOCIATES, INC.**  
 1414 ELK ST., ROCK SPRINGS, WY 82901

DRAWN: 11/11/10 - MMM

HORZ. 1" = 60' VERT. 1" = 20'

REVISED: 11/0811 - CDC

DRG JOB No. 18223

REVISED PROFILES

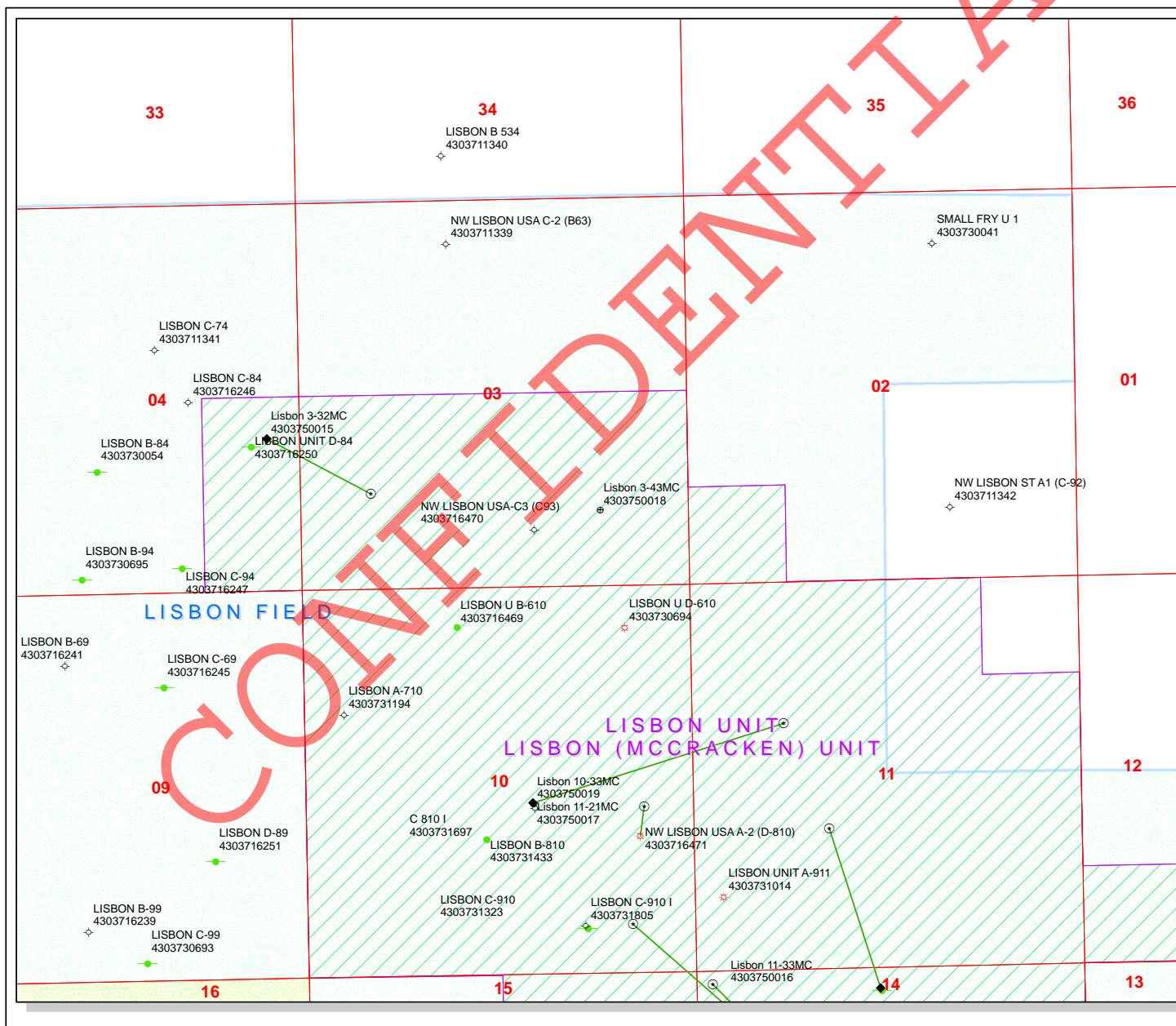
EXHIBIT 3

**PATARA OIL & GAS, LLC.**  
**LISBON 3-43MC**  
**SECTION 3, T30S, R24E**

 UNGRADED ELEVATION: 6911.6'  
 FINISHED ELEVATION: 6904.5'

RECEIVED: December 19, 2011

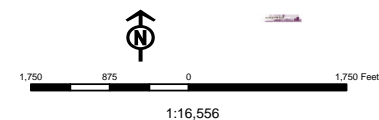
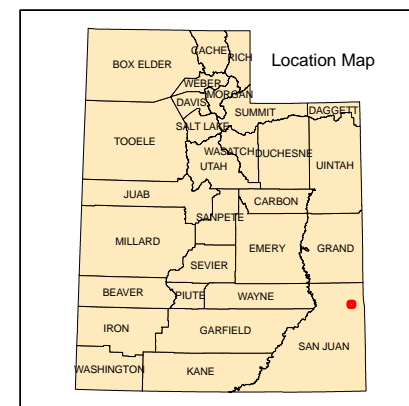




**API Number: 4303750018**  
**Well Name: Lisbon 3-43MC**  
**Township T3.0 . Range R2.4 . Section 03**  
**Meridian: SLBM**  
**Operator: PATARA OIL & GAS, LLC**

Map Prepared:  
Map Produced by Diana Mason

Units	Wells Query
STATUS	Status
ACTIVE	APD - Approved Permit
EXPLORATORY	DRL - Spudded (Drilling Commenced)
GAS STORAGE	GIW - Gas Injection
NF PP OIL	GS - Gas Storage
NF SECONDARY	LA - Location Abandoned
PI OIL	LOC - New Location
PP GAS	OPS - Operation Suspended
PP GEOTHERM	PA - Plugged Abandoned
PP OIL	PGW - Producing Gas Well
SECONDARY	POW - Producing Oil Well
TERMINATED	RET - Returned APD
Fields	STATUS
Unknown	SGW - Shut-in Gas Well
ABANDONED	SOW - Shut-in Oil Well
ACTIVE	TA - Temp. Abandoned
COMBINED	TW - Test Well
INACTIVE	WDW - Water Disposal
STORAGE	WW - Water Injection Well
TERMINATED	WSW - Water Supply Well



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:  
3160  
(UT-922)

January 6, 2012

Memorandum

To: Assistant Field Office Manager Resources,  
Moab Field Office

From: Michael Coulthard, Petroleum Engineer

Subject: 2012 Plan of Development Lisbon McCracken  
Unit, San Juan County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2012 within the Lisbon McCracken Unit, San Juan County, Utah.

API#	WELL NAME	LOCATION
(Proposed PZ McCracken/Lynch)		
43-037-50018	Lisbon 3-43MC	Sec 03 T30S R24E 1020 FSL 1206 FEL
43-037-50019	Lisbon 10-33MC	Sec 10 T30S R24E 2328 FSL 2177 FEL
43-037-50020	Lisbon 11-22MC	Sec 11 T30S R24E 1530 FNL 0859 FWL
	BHL	Sec 11 T30S R24E 0631 FNL 0730 FWL

Please be advised that the Lisbon McCracken Unit only unitizes the McCracken member of the Elbert formation as identified by the Dual Laterolog MicroSFL run in the Union Lisbon B-210 well located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 10, Township 30 South, Range 24 East, San Juan County, Utah at a measured depth between 8,495 and 8,610 feet. Production from the Cambrian Lynch cannot be downhole or surface commingled without prior approval from the Moab Field Office.

Michael L. Coulthard

Digitally signed by Michael L. Coulthard  
DN: cn=Michael L. Coulthard, o=Bureau of Land Management, ou=Branch of Minerals, email=Michael\_Coulthard@blm.gov, c=US  
Date: 2012.01.06 09:10:46 -0700

bcc: File - Lisbon McCracken Unit  
Division of Oil Gas and Mining  
Central Files  
Agr. Sec. Chron  
Fluid Chron

MCoulthard:mc:1-6-12

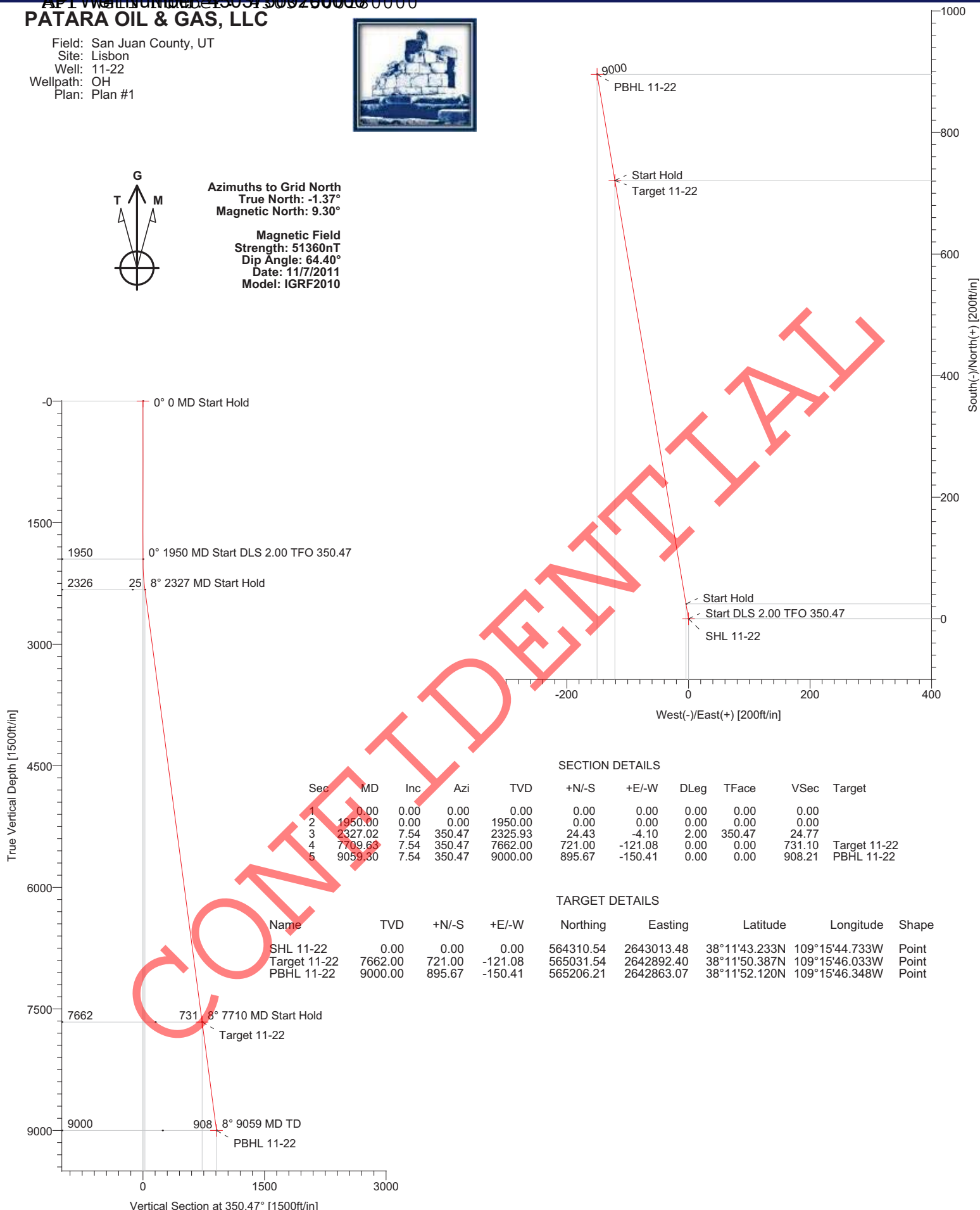
RECEIVED: January 06, 2012

Field: San Juan County, UT  
Site: Lisbon  
Well: 11-22  
Wellpath: OH  
Plan: Plan #1



Azimuths to Grid North  
True North: -1.37°  
Magnetic North: 9.30°

Magnetic Field  
Strength: 51360nT  
Dip Angle: 64.40°  
Date: 11/7/2011  
Model: IGRF2010



LEAM DRILLING SYSTEMS, INC.  
2010 East Davis Conroe, Texas 77301  
Phone: 936-756-7577 Fax: 936-756-7595

Plan: Plan #1 (11-22/OH)  
Created By: Justin Andoe Date: 11/7/2011  
Checked: \_\_\_\_\_ Date: \_\_\_\_\_  
Reviewed: \_\_\_\_\_ Date: \_\_\_\_\_  
Approved: \_\_\_\_\_ Date: \_\_\_\_\_

Received December 28, 2011



## WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/19/2011

API NO. ASSIGNED: 43037500180000

WELL NAME: Lisbon 3-43MC

OPERATOR: PATARA OIL &amp; GAS, LLC (N3670)

PHONE NUMBER: 303 563-5378

CONTACT: Danielle Gavito

PROPOSED LOCATION: SESE 03 300S 240E

Permit Tech Review: ☒

SURFACE: 1020 FSL 1206 FEL

Engineering Review: ☐

BOTTOM: 1020 FSL 1206 FEL

Geology Review: ☒

COUNTY: SAN JUAN

LATITUDE: 38.20235

LONGITUDE: -109.27028

UTM SURF EASTINGS: 651452.00

NORTHINGS: 4229680.00

FIELD NAME: LISBON

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU015445

PROPOSED PRODUCING FORMATION(S): LYNCH

SURFACE OWNER: 1 - Federal

COALBED METHANE: NO

## RECEIVED AND/OR REVIEWED:

☒ PLAT☒ Bond: FEDERAL - UTB000428☐ Potash☐ Oil Shale 190-5☐ Oil Shale 190-3☐ Oil Shale 190-13☒ Water Permit: COMMERCIAL☐ RDCC Review:☐ Fee Surface Agreement☐ Intent to Commingle

Commingling Approved

## LOCATION AND SITING:

☐ R649-2-3.

Unit: LISBON (MCCRACKEN)

☐ R649-3-2. General☒ R649-3-3. Exception☒ Drilling Unit

Board Cause No: R649-3-3

Effective Date:

Siting:

☐ R649-3-11. Directional Drill

Comments: Presite Completed

Stipulations: 1 - Exception Location - dmason  
4 - Federal Approval - dmason  
23 - Spacing - dmason

RECEIVED: January 12, 2012



## State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
*Executive Director*

Division of Oil, Gas and Mining

JOHN R. BAZA  
*Division Director*

### Permit To Drill

\*\*\*\*\*

**Well Name:** Lisbon 3-43MC  
**API Well Number:** 43037500180000  
**Lease Number:** UTU015445  
**Surface Owner:** FEDERAL  
**Approval Date:** 1/12/2012

**Issued to:**

PATARA OIL & GAS, LLC, 600 17th Street Ste 1900S, Denver, CO 80202

**Authority:**

Pursuant to Utah Code Ann. 40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of R649-3-3. The expected producing formation or pool is the LYNCH Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

**Duration:**

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

**Exception Location:**

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

**General:**

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

**Conditions of Approval:**

State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being

drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

**Notification Requirements:**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- Within 24 hours following the spudding of the well contact Carol Daniels at 801-538-5284

(please leave a voicemail message if not available)

OR

submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website

at <http://oilgas.ogm.utah.gov>

**Reporting Requirements:**

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) due within 5 days of spudding the well
- Monthly Status Report (Form 9) due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) due prior to implementation
- Written Notice of Emergency Changes (Form 9) due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) due prior to implementation
- Report of Water Encountered (Form 7) due within 30 days after completion
- Well Completion Report (Form 8) due within 30 days after completion or plugging

**Approved By:**

A handwritten signature in black ink, appearing to read "John Rogers", with a stylized flourish at the end.

For John Rogers  
Associate Director, Oil & Gas

CONFIDENTIAL

**DIVISION OF OIL, GAS AND MINING**

**SPUDDING INFORMATION**

Name of Company; PATARA OIL & GAS,LLC

Well Name: LISBON 3-43MC

Api No: 43-037-50018 Lease Type FEDERAL

Section 03 Township 30S Range 24E County DUCHESNE

Drilling Contractor \_\_\_\_\_ RIG # 30

**SPUDDED:**

Date 10/28/2012

Time \_\_\_\_\_

How DRY

**Drilling will Commence:** \_\_\_\_\_

Reported by MIKE SITTON

Telephone # (970) 528-4800

Date 10/30/2012 Signed CHD

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU015445
<b>1. TYPE OF WELL</b> Oil Well		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>2. NAME OF OPERATOR:</b> PATARA OIL & GAS, LLC		<b>7. UNIT or CA AGREEMENT NAME:</b> LISBON (MCCRACKEN)
<b>3. ADDRESS OF OPERATOR:</b> 600 17th Street Ste 1900S , Denver, CO, 80202		<b>8. WELL NAME and NUMBER:</b> Lisbon 3-43MC
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1020 FSL 1206 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SESE Section: 03 Township: 30.0S Range: 24.0E Meridian: S		<b>9. API NUMBER:</b> 43037500180000
<b>9. FIELD and POOL or WILDCAT:</b> LISBON		<b>COUNTY:</b> SAN JUAN
<b>STATE:</b> UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

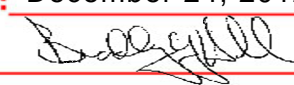
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: <b>9/1/2013</b>	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> <b>APD EXTENSION</b> OTHER: <input style="width: 100px;" type="text"/>
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:			
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:			
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  

Patara Oil & Gas LLC wishes to request an extension to the already approved State APD which is set to expire on 1/12/13 for this well due to an inability to commence operations because of stipulations associated with raptors. Patara has in place an approved Federal APD which is valid until 8/21/2014. Patara wishes to receive an extension to the State APD for the maximum allowable time. Thank you,

**Approved by the**  
**Utah Division of**  
**Oil, Gas and Mining**

**Date:** December 24, 2012

**By:** 

<b>NAME (PLEASE PRINT)</b> Danielle Gavito	<b>PHONE NUMBER</b> 303 563-5378	<b>TITLE</b> Regulatory Technician
<b>SIGNATURE</b> N/A	<b>DATE</b> 12/20/2012	



**The Utah Division of Oil, Gas, and Mining**

- State of Utah
- Department of Natural Resources

**Electronic Permitting System - Sundry Notices**

**Request for Permit Extension Validation Well Number 43037500180000**

**API:** 43037500180000

**Well Name:** Lisbon 3-43MC

**Location:** 1020 FSL 1206 FEL QTR SESE SEC 03 TWP 300S RNG 240E MER S

**Company Permit Issued to:** PATARA OIL & GAS, LLC

**Date Original Permit Issued:** 1/12/2012

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☒ Yes ☐ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

**Signature:** Danielle Gavito

**Date:** 12/20/2012

**Title:** Regulatory Technician **Representing:** PATARA OIL & GAS, LLC

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET (for state use only)**

**ROUTING**

CDW

**X - Change of Operator (Well Sold)**

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

**11/1/2012**

**FROM: (Old Operator):**

N3670- Patara Oil & Gas, LLC  
 600 17th Street, Suite 1900S  
 Denver, CO 80202

Phone: 1 (303) 825-0685

**TO: ( New Operator):**

N3645- CCI Paradox Upstream, LLC  
 600 17th Street, Suite 1900S  
 Denver, CO 80202

Phone: 1 (303) 825-0685

**CA No.**

**Unit:**

**Lisbon (McCreacken)**

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
See Attached List								

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 1/23/2013
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 2/7/2013
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 2/12/2013
- a. Is the new operator registered in the State of Utah: \_\_\_\_\_ Business Number: 8523441-0161
- 5a. (R649-9-2) Waste Management Plan has been received on: Not Yet
- 5b. Inspections of LA PA state/fee well sites complete on: N/A
- 5c. Reports current for Production/Disposition & Sundries on: 2/12/2013
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM Not Yet BIA N/A
- Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: Not Yet
- Federal and Indian Communization Agreements ("CA"):**  
The BLM or BIA has approved the operator for all wells listed within a CA on: N/A
- Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to Inject, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 2/12/2013
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 2/12/2013
- Bond information entered in RBDMS on: 2/7/2013
- Fee/State wells attached to bond in RBDMS on: 2/12/2013
- Injection Projects to new operator in RBDMS on: N/A
- Receipt of Acceptance of Drilling Procedures for APD/New on: 2/4/2013

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: 105865919
- Indian well(s) covered by Bond Number: N/A
- 3a. (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number 105865922
- 3b. The **FORMER** operator has requested a release of liability from their bond on: N/A

**LEASE INTEREST OWNER NOTIFICATION:**

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

**COMMENTS:**

Patara Oil Gas, LLC (N3670) to CCI Paradox Upstream, LLC (N3945

Effective 11/1/2012

Lisbon (McCracken) Unit

Well Name	Section	TWN	RNG	API Number	Entity	Lease Type	Well Type	Well Status
Lisbon 14-11MC	14	300S	240E	4303750013		Federal	OW	APD
Lisbon 10-44MC	14	300S	240E	4303750014		Federal	OW	APD
Lisbon 3-32MC	04	300S	240E	4303750015		Federal	OW	APD
Lisbon 11-33MC	14	300S	240E	4303750016		Federal	OW	APD
Lisbon 11-21MC	10	300S	240E	4303750017		Federal	GW	APD
Lisbon 3-43MC	03	300S	240E	4303750018		Federal	OW	APD
LISBON U B-610	10	300S	240E	4303716469	8123/9740	Federal	OW	P
Lisbon 10-33MC	10	300S	240E	4303750019	9740	Federal	OW	P
LISBON U D-610	10	300S	240E	4303730694	8123	Federal	GW	S



RECEIVED

JAN 23 2013

FORM 9

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

DIV. OF OIL, GAS &amp; MINING

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>Multiple Well Transfer</u>		5. LEASE DESIGNATION AND SERIAL NUMBER: n/a
2. NAME OF OPERATOR: Patara Oil & Gas LLC <u>N3670</u>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a
3. ADDRESS OF OPERATOR: 600 17th St. Ste. 1900S City Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: n/a
PHONE NUMBER: (303) 825-0685		8. WELL NAME and NUMBER: Multiple
4. LOCATION OF WELL FOOTAGES AT SURFACE: n/a		9. API NUMBER: n/a
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		10. FIELD AND POOL, OR WILDCAT: n/a

COUNTY: San Juan, UT

STATE:

UTAH

## 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 11/1/2012	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Patara Oil & Gas LLC (Patara) hereby requests the transfer of operating rights and responsibilities for the subject wells, listed herein, to the new owner/operator of the assets, being effective November 1, 2012; CCI Paradox Upstream LLC (CCI).

Please see Exhibit I for a detailed list of upstream assets considered for transfer. Patara midstream assets will be transferred via a separate letter, enclosed.

NAME (PLEASE PRINT) <u>Christopher A. Noonan</u>	TITLE <u>Regulations &amp; Production Reporting Supervisor</u>
SIGNATURE <u><i>Christopher A. Noonan</i></u>	DATE <u>1/18/13</u>

(This space for State use only)

APPROVED

FEB 12 2013

(5/2000)

DIV. OF OIL, GAS &amp; MINING

(See Instructions on Reverse Side)

BY: Rachel Medina

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>Multiple Well Transfer</u>		5. LEASE DESIGNATION AND SERIAL NUMBER: n/a
2. NAME OF OPERATOR: CCI Paradox Upstream LLC <u>N3945</u>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a
3. ADDRESS OF OPERATOR: 600 17th St. Ste. 1900S CITY <u>Denver</u> STATE <u>CO</u> ZIP <u>80202</u>		7. UNIT or CA AGREEMENT NAME: n/a
4. LOCATION OF WELL FOOTAGES AT SURFACE: <u>n/a</u>		8. WELL NAME and NUMBER: <u>Multiple</u>
PHONE NUMBER: <u>(303) 825-0685</u>		9. API NUMBER: n/a
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		10. FIELD AND POOL, OR WILDCAT: n/a

COUNTY: San Juan, UT

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: <u>11/1/2012</u>	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

CCI Paradox Upstream LLC (CCI), hereby requests the transfer of operating rights and responsibilities for the subject wells, listed herein, to the new owner/operator of the assets, CCI, being effective November 1, 2012. The assets were previously operated by Patara Oil & Gas LLC (Patara) prior to sale.

Please see Exhibit I for a detailed list of upstream assets considered for transfer. Patara midstream assets will be transferred via a separate letter, enclosed.

Bond Number:  
BLM: 105865919  
State: 105865922

NAME (PLEASE PRINT) <u>Christopher A. Noonan</u>	TITLE <u>Regulations &amp; Production Reporting Supervisor</u>
SIGNATURE <u>[Signature]</u>	DATE <u>2/6/2012</u>

(This space for State use only)

APPROVED

FEB 12 2013

DIV. OIL GAS & MINING

BY: Rachel Medina

RECEIVED

FEB 07 2013

Div. of Oil, Gas & Mining

# Exhibit I

BLM Form 3160-5 Transfer of Operator

Utah Form 9 Transfer of Operator

State of Utah Upstream Assets

01/09/2013

API Well Number	Operator	Well Name	Well Status	Well Type	Field Name	County	Qtr/Qtr	Section	Township-Range)
✓ 43-037-15049-00-00	PATARA OIL & GAS LLC	LISBON D-616	Shut-In	Oil Well	LISBON	SAN JUAN	NENE	16	30S-24E 1
✓ 43-037-15123-00-00	PATARA OIL & GAS LLC	LISBON B-615	Producing	Oil Well	LISBON	SAN JUAN	NENW	15	30S-24E 2
✓ 43-037-15769-00-00	PATARA OIL & GAS LLC	LISBON B912	Shut-In	Oil Well	LISBON	SAN JUAN	SESW	12	30S-24E 3
✓ 43-037-16219-00-00	PATARA OIL & GAS LLC	BIG INDIAN UNIT 1	Shut-In	Oil Well	BIG INDIAN (MADISON)	SAN JUAN	SENE	33	29S-24E 11
✓ 43-037-16221-00-00	PATARA OIL & GAS LLC	BIG INDIAN 4	Shut-In	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SWSW	14	30S-25E 5
✓ 43-037-16237-00-00	PATARA OIL & GAS LLC	LISBON A-715	Inactive	Water Disposal Well	LISBON	SAN JUAN	SWNW	15	30S-24E 6
✓ 43-037-16240-00-00	PATARA OIL & GAS LLC	LISBON B-613	Shut-In	Oil Well	LISBON	SAN JUAN	NENW	13	30S-24E 7
✓ 43-037-16242-00-00	PATARA OIL & GAS LLC	LISBON B-616	Shut-In	Oil Well	LISBON	SAN JUAN	NESW	16	30S-24E 8
✓ 43-037-16244-00-00	PATARA OIL & GAS LLC	BELCO ST 4 (LISBON B-816)	Active	Water Disposal Well	LISBON	SAN JUAN	NESW	16	30S-24E 9
✓ 43-037-16245-00-00	PATARA OIL & GAS LLC	LISBON C-69	Shut-In	Oil Well	LISBON	SAN JUAN	NWNE	9	30S-24E 10

✓ 43-037-16247-00-00	PATARA OIL & GAS LLC	LISBON C-94	Shut-In	Oil Well	LISBON	SAN JUAN	SWSE	4	30S-24E 11
✓ 43-037-16250-00-00	PATARA OIL & GAS LLC	LISBON UNIT D-84	Shut-In	Oil Well	LISBON	SAN JUAN	NESE	4	30S-24E 12
✓ 43-037-16251-00-00	PATARA OIL & GAS LLC	LISBON D-89	Shut-In	Oil Well	LISBON	SAN JUAN	NESE	9	30S-24E 13
43-037-16469-00-00	PATARA OIL & GAS LLC	LISBON U B-610	Producing	Oil Well	LISBON	SAN JUAN	NENW	10	30S-24E 14
43-037-16471-00-00	PATARA OIL & GAS LLC	NW LISBON USA A-2 (D-810)	Producing	Gas Well	LISBON	SAN JUAN	NESE	10	30S-24E 15
43-037-30054-00-00	PATARA OIL & GAS LLC	LISBON B-84	Shut-In	Oil Well	LISBON	SAN JUAN	NESW	4	30S-24E 16
43-037-30082-00-00	PATARA OIL & GAS LLC	LISBON B-814	Active	Water Disposal Well	LISBON	SAN JUAN	NESW	14	30S-24E 17
43-037-30317-00-00	PATARA OIL & GAS LLC	FEDERAL 15-25	Shut-In	Gas Well	WILSON CANYON	SAN JUAN	SWSE	25	29S-23E 18
43-037-30693-00-00	PATARA OIL & GAS LLC	LISBON C-99	Shut-In	Oil Well	LISBON	SAN JUAN	SWSE	9	30S-24E 19
43-037-30694-00-00	PATARA OIL & GAS LLC	LISBON U D-610	Shut-In	Gas Well	LISBON	SAN JUAN	NENE	10	30S-24E 20
43-037-30695-00-00	PATARA OIL & GAS LLC	LISBON B-94	Shut-In	Oil Well	LISBON	SAN JUAN	SESW	4	30S-24E 1
43-037-31014-00-00	PATARA OIL & GAS LLC	LISBON UNIT A-911	Producing	Gas Well	LISBON	SAN JUAN	SWSW	11	30S-24E 2
43-037-31034-00-00	PATARA OIL & GAS LLC	LISBON UNIT D-716	Shut-In	Oil Well	LISBON	SAN JUAN	SENE	16	30S-24E 3
43-037-31323-00-00	PATARA OIL & GAS LLC	LISBON C-910	Shut-In	Oil Well	LISBON	SAN JUAN	SWSE	10	30S-24E 4
43-037-31351-00-00	PATARA OIL & GAS LLC	LISBON B-614A	Shut-In	Oil Well	LISBON	SAN JUAN	NENW	14	30S-24E 5
43-037-31433-00-00	PATARA OIL & GAS LLC	LISBON B-810	Producing	Oil Well	LISBON	SAN JUAN	NESW	10	30S-24E 6

43-037-31829-00-00	PATARA OIL & GAS LLC	BIG INDIAN 35-24	Shut-In	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SENE	35	29S-24E 7
43-037-31831-00-00	PATARA OIL & GAS LLC	BULL HORN U 10-43	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SWSE	10	30S-25E 8
43-037-31838-00-00	PATARA OIL & GAS LLC	MIDDLE MESA ST 36-14-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NENE	36	29S-24E 9
43-037-31843-00-00	PATARA OIL & GAS LLC	BULL HORN FED 9-14-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NENE	9	30S-25E 30
43-037-31848-00-00	PATARA OIL & GAS LLC	BULL HORN FED 15-14-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NENE	15	30S-25E 1
43-037-31849-00-00	PATARA OIL & GAS LLC	BULL HORN FED 10-21-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NWSW	10	30S-25E 2
43-037-31850-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 14-21-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SWNW	14	30S-25E 3
43-037-31853-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 5-6-30-25	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	LOT6	5	30S-25E 4
43-037-31854-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 31-31-29-25	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NWSW	31	29S-25E 5
43-037-31855-00-00	PATARA OIL & GAS LLC	MIDDLE MESA ST 36-12-29-24	Shut-In	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NENW	36	29S-24E 6
43-037-31856-00-00	PATARA OIL & GAS LLC	MIDDLE MESA ST 36-24-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SENE	36	29S-24E 7
43-037-31859-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 15-24-30-25	Shut-In	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SWNW	14	30S-25E 8
43-037-31860-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 14-42-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SESW	14	30S-25E 9
43-037-31861-00-00	PATARA OIL & GAS LLC	BULL HORN FED 10-42-30-25	Shut-In	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SESW	10	30S-25E 40
43-037-31864-00-00	PATARA OIL & GAS LLC	BULL HORN FED 10-31-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NWSW	10	30S-25E 1
43-037-31877-00-00	PATARA OIL & GAS LLC	MIDDLE MESA ST 36-12B-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NENW	36	29S-24E 2



43-037-31878-00-00	PATARA OIL & GAS LLC	MIDDLE MESA ST 36-24B-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SENE	36	29S-24E <sup>3</sup>
43-037-31883-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 15-24B-30-25	Shut-In	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SWNW	14	30S-25E <sup>4</sup>
43-037-31884-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 23-13B-30-25	Approved permit (APD); not yet spudded	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NWNE	23	30S-25E <sup>5</sup>
43-037-31885-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 23-13-30-25	Approved permit (APD); not yet spudded	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NWNE	23	30S-25E <sup>6</sup>
43-037-31891-00-00	PATARA OIL & GAS LLC	BULL HORN FED 15-13-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NENE	15	30S-25E <sup>7</sup>
43-037-31893-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 30-41-29-25	Approved permit (APD); not yet spudded	Gas Well	UNDESIGNATED	SAN JUAN	SWSW	30	29S-25E <sup>8</sup>
43-037-31897-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 5-10-30-25	Spudded (Drilling commenced: Not yet completed)	Gas Well	SOUTH PINE RIDGE	SAN JUAN	LT10	5	30S-25E <sup>9</sup>
43-037-31901-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 25-43-29-24	Approved permit (APD); not yet spudded	Gas Well	UNDESIGNATED	SAN JUAN	SWSE	25	29S-24E <sup>10</sup>
43-037-31902-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 25-41-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SWSW	25	29S-24E <sup>1</sup>
43-037-31903-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 25-31-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NWSW	25	29S-24E <sup>2</sup>
43-037-31904-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 26-34-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NESW	26	29S-24E <sup>3</sup>

43-037-31905-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 26-23-29-24	Approved permit (APD); not yet spudded	Gas Well	UNDESIGNATED	SAN JUAN	SWNE	26	29S-24E 4
43-037-31906-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 31-44-29-25	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SESE	31	29S-25E 5
43-037-31907-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 31-33-29-25	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NWSE	31	29S-25E 4
43-037-31909-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 31-22-29-25	Approved permit (APD); not yet spudded	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SENW	31	29S-25E 7
43-037-31910-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 31-11-29-25	Approved permit (APD); not yet spudded	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NWNW	31	29S-25E 8
43-037-50008-00-00	PATARA OIL & GAS LLC	CISCO STATE 36-13	Temporarily-Abandoned	Gas Well	WILDCAT	SAN JUAN	NWNE	36	31S-24E 9
43-037-50010-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 4-20-30-25	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SWNW	4	30S-25E 60
43-037-50012-00-00	PATARA OIL & GAS LLC	Lisbon 11-32MC	Returned APD (Unapproved)	Oil Well	UNDESIGNATED	SAN JUAN	SWNE	11	30S-24E 1
43-037-50013-00-00	PATARA OIL & GAS LLC	Lisbon 14-11MC	Approved permit (APD); not yet spudded	Oil Well	LISBON	SAN JUAN	NWNW	14	30S-24E 2
43-037-50014-00-00	PATARA OIL & GAS LLC	Lisbon 10-44MC	Approved permit (APD); not yet spudded	Oil Well	LISBON	SAN JUAN	NWNW	14	30S-24E 3

43-037-50015-00-00	PATARA OIL & GAS LLC	Lisbon 3-32MC	Approved permit (APD); not yet spudded	Oil Well	LISBON	SAN JUAN	NESE	4	4 30S-24E
43-037-50016-00-00	PATARA OIL & GAS LLC	Lisbon 11-33MC	Approved permit (APD); not yet spudded	Oil Well	LISBON	SAN JUAN	NENW	14	5 30S-24E
43-037-50017-00-00	PATARA OIL & GAS LLC	Lisbon 11-21MC	Approved permit (APD); not yet spudded	Gas Well	LISBON	SAN JUAN	NWSE	10	6 30S-24E
43-037-50018-00-00	PATARA OIL & GAS LLC	Lisbon 3-43MC	Approved permit (APD); not yet spudded	Oil Well	LISBON	SAN JUAN	SESE	3	7 30S-24E
43-037-50019-00-00	PATARA OIL & GAS LLC	Lisbon 10-33MC	Spudded (Drilling commenced: Not yet completed)	Oil Well	LISBON	SAN JUAN	NWSE	10	8 30S-24E
43-037-50021-00-00	PATARA OIL & GAS LLC	Middle Mesa Fed 31-42-29-25	Approved permit (APD); not yet spudded	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SESW	31	9 29S-25E
43-037-50026-00-00	PATARA OIL & GAS LLC	Middle Mesa Federal 5-8-30-25	Approved permit (APD); not yet spudded	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NENE	5	10 30S-25E

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

**Request to Transfer Application or Permit to Drill**

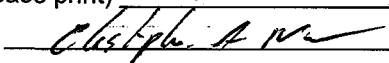
(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

<b>Well name:</b>	Lisbon 3-43MC
<b>API number:</b>	4303750018
<b>Location:</b>	Qtr-Qtr: SESE    Section: 3    Township: 30S    Range: 24E
<b>Company that filed original application:</b>	Patara Oil & Gas LLC
<b>Date original permit was issued:</b>	12/24/2012
<b>Company that permit was issued to:</b>	Patara Oil & Gas LLC

Check one	Desired Action:
<input type="checkbox"/>	<b>Transfer pending (unapproved) Application for Permit to Drill to new operator</b>
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
<input checked="" type="checkbox"/>	<b>Transfer approved Application for Permit to Drill to new operator</b>
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/> If so, has the surface agreement been updated?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. <u>105865922</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) Christopher Noonan Title Regulations & Production Reporting Supervisor  
Signature  Date 1/21/2013  
Representing (company name) CCI Paradox Upstream LLC

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU015445
<b>1. TYPE OF WELL</b> Oil Well		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>2. NAME OF OPERATOR:</b> CCI PARADOX UPSTREAM, LLC		<b>7. UNIT or CA AGREEMENT NAME:</b> LISBON (MCCRACKEN)
<b>3. ADDRESS OF OPERATOR:</b> 600 17th Street, Suite 1900S, Denver, CO, 80202		<b>8. WELL NAME and NUMBER:</b> Lisbon 3-43MC
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1020 FSL 1206 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SESE Section: 03 Township: 30.0S Range: 24.0E Meridian: S		<b>9. API NUMBER:</b> 43037500180000
<b>9. FIELD and POOL or WILDCAT:</b> LISBON		<b>COUNTY:</b> SAN JUAN
<b>STATE:</b> UTAH		

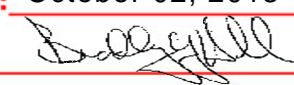
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: <b>8/1/2014</b>	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> <b>APD EXTENSION</b> OTHER: <input style="width: 100px;" type="text"/>
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:			
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:			
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
 CCI Paradox upstream LLC (CCI) requests an extension to the already approved State APD for the Lisbon 3-43MC, originally approved on 1/12/2012 with one approved extension set to expire on 1/12/14. The BLM has approved a Federal APD which is valid until 8/21/2014. CCI wishes to receive an extension to the State APD for the maximum allowable time. Please contact Chrissy Schaffner, CCI Regulatory Specialist, at 303.563.5378 or chrissy.schaffner@cci.com with any questions or comments. Thank you.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: October 02, 2013

By: 

<b>NAME (PLEASE PRINT)</b> Chrissy Lawson	<b>PHONE NUMBER</b> 303 563-5378	<b>TITLE</b> Regulatory Specialist
<b>SIGNATURE</b> N/A	<b>DATE</b> 10/1/2013	





**The Utah Division of Oil, Gas, and Mining**

- State of Utah
- Department of Natural Resources

**Electronic Permitting System - Sundry Notices**

**Request for Permit Extension Validation Well Number 43037500180000**

**API:** 43037500180000

**Well Name:** Lisbon 3-43MC

**Location:** 1020 FSL 1206 FEL QTR SESE SEC 03 TWP 300S RNG 240E MER S

**Company Permit Issued to:** CCI PARADOX UPSTREAM, LLC

**Date Original Permit Issued:** 1/12/2012

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☒ Yes ☐ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

**Signature:** Chrissy Lawson

**Date:** 10/1/2013

**Title:** Regulatory Specialist **Representing:** CCI PARADOX UPSTREAM, LLC

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU015445
<b>1. TYPE OF WELL</b> Oil Well		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>2. NAME OF OPERATOR:</b> CCI PARADOX UPSTREAM, LLC		<b>7. UNIT or CA AGREEMENT NAME:</b> LISBON (MCCRACKEN)
<b>3. ADDRESS OF OPERATOR:</b> 600 17th Street, Suite 1900S , Denver, CO, 80202		<b>8. WELL NAME and NUMBER:</b> Lisbon 3-43MC
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1020 FSL 1206 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SESE Section: 03 Township: 30.0S Range: 24.0E Meridian: S		<b>9. API NUMBER:</b> 43037500180000
<b>9. FIELD and POOL or WILDCAT:</b> LISBON		<b>COUNTY:</b> SAN JUAN
<b>STATE:</b> UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: <b>8/15/2015</b>	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> <b>APD EXTENSION</b> OTHER: <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:			
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:			
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Approved by the  
 December 23, 2014  
 Oil, Gas and Mining

Date: \_\_\_\_\_

By:

<b>NAME (PLEASE PRINT)</b> Ashley Noonan	<b>PHONE NUMBER</b> 303 728-2232	<b>TITLE</b> Regulatory Analyst
<b>SIGNATURE</b> N/A	<b>DATE</b> 12/18/2014	



**The Utah Division of Oil, Gas, and Mining**

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Request for Permit Extension Validation Well Number 43037500180000**

API: 43037500180000

Well Name: Lisbon 3-43MC

Location: 1020 FSL 1206 FEL QTR SESE SEC 03 TWP 300S RNG 240E MER S

Company Permit Issued to: CCI PARADOX UPSTREAM, LLC

Date Original Permit Issued: 1/12/2012

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

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- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

Signature: Ashley Noonan

Date: 12/19/2014

Title: Regulatory Analyst Representing: CCI PARADOX UPSTREAM, LLC

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU015445
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<b>STATE:</b> UTAH		
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: <b>8/15/2014</b>  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> ACIDIZE   <input type="checkbox"/> CHANGE TO PREVIOUS PLANS   <input type="checkbox"/> CHANGE WELL STATUS   <input type="checkbox"/> DEEPEN   <input type="checkbox"/> OPERATOR CHANGE   <input type="checkbox"/> PRODUCTION START OR RESUME   <input type="checkbox"/> REPERFORATE CURRENT FORMATION   <input type="checkbox"/> TUBING REPAIR   <input type="checkbox"/> WATER SHUTOFF   <input type="checkbox"/> WILDCAT WELL DETERMINATION         </div> <div style="width: 33%;"> <input type="checkbox"/> ALTER CASING   <input type="checkbox"/> CHANGE TUBING   <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS   <input type="checkbox"/> FRACTURE TREAT   <input type="checkbox"/> PLUG AND ABANDON   <input type="checkbox"/> RECLAMATION OF WELL SITE   <input type="checkbox"/> SIDETRACK TO REPAIR WELL   <input type="checkbox"/> VENT OR FLARE   <input type="checkbox"/> SI TA STATUS EXTENSION   <input type="checkbox"/> OTHER         </div> <div style="width: 33%;"> <input type="checkbox"/> CASING REPAIR   <input type="checkbox"/> CHANGE WELL NAME   <input type="checkbox"/> CONVERT WELL TYPE   <input type="checkbox"/> NEW CONSTRUCTION   <input type="checkbox"/> PLUG BACK   <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION   <input type="checkbox"/> TEMPORARY ABANDON   <input type="checkbox"/> WATER DISPOSAL   <input checked="" type="checkbox"/> <b>APD EXTENSION</b>           OTHER: <input style="width: 100%;" type="text"/> </div> </div>	
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<div style="color: red; font-weight: bold;">             Approved by the              Utah Department of              Oil, Gas and Mining           </div> <div style="color: red; font-weight: bold;">             Date: _____              By:  </div>		
<b>NAME (PLEASE PRINT)</b> Ashley Noonan		<b>PHONE NUMBER</b> 303 728-2232
<b>SIGNATURE</b> N/A		<b>TITLE</b> Regulatory Analyst
<b>DATE</b> 12/19/2014		



**The Utah Division of Oil, Gas, and Mining**

- State of Utah
- Department of Natural Resources

**Electronic Permitting System - Sundry Notices**

**Request for Permit Extension Validation Well Number 43037500180000**

**API:** 43037500180000

**Well Name:** Lisbon 3-43MC

**Location:** 1020 FSL 1206 FEL QTR SESE SEC 03 TWP 300S RNG 240E MER S

**Company Permit Issued to:** CCI PARADOX UPSTREAM, LLC

**Date Original Permit Issued:** 1/12/2012

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**Signature:** Ashley Noonan

**Date:** 12/19/2014

**Title:** Regulatory Analyst **Representing:** CCI PARADOX UPSTREAM, LLC





GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

March 17, 2016

CCI Paradox Upstream, LLC  
600 17th Street, Suite 1900S  
Denver, CO 80202

Re: APD Rescinded – Lisbon 3-43MC, Sec. 3, T.30S, R.24E  
San Juan County, Utah API No. 43-037-50018

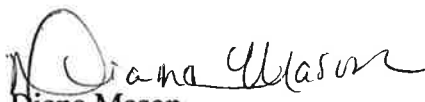
Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on January 12, 2012. On December 24, 2012, October 2, 2013 and December 23, 2014 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective March 17, 2016.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

  
Diana Mason  
Environmental Scientist

cc: Well File  
Bureau of Land Management, Monticello

